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Supreme Court, U.S.
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No. ___

IN THE

Supreme Court of the United States

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,
Petitioners,

v.

RICHARD AIKEN,
Respondent.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,
Petitioners,

v.

TAWANDA SIMPSON,
Respondent.

On Petition for a Writ of Certiorari to the Supreme Court of South Carolina

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Whether a state court rule that, regardless of the language of the parties' arbitration agreement, categorically excludes from arbitration "outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings" violates § 2 of the Federal Arbitration Act and this Court's mandate that any ambiguity concerning the scope of arbitrable issues must be resolved in favor of arbitration.

Whether a rule that requires, as a condition to arbitration, evidence of a "significant relationship" between a dispute and the contract in which the parties' arbitration agreement is contained violates § 2 of the Federal Arbitration Act and this Court's mandate that any ambiguity concerning the scope of arbitrable issues must be resolved in favor of arbitration.

RULE 29.6 STATEMENT

Pursuant to Supreme Court Rule 29.6, Petitioners state that World Acceptance Corporation is a publicly held corporation. There is no corporate parent of World Acceptance Corporation or publicly held corporation that owns 10% or more of the corporation's stock.

World Acceptance Corporation holds 100% of the equity of World Finance Corporation of South Carolina.

TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED	i
RULE 29.6 STATEMENT	ii
TABLE OF AUTHORITIES	vi
OPINIONS BELOW	2
JURISDICTION	2
STATUTORY PROVISION INVOLVED	2
INTRODUCTION	2
STATEMENT	5
REASONS FOR GRANTING THE PETITION	8
I. THE SOUTH CAROLINA SUPREME COURT'S NEW RULE VIOLATES THE FAA, DISREGARDS THE PRECEDENTS OF THIS COURT, AND FRUSTRATES THE IMPORTANT FEDERAL POLICY OF ENFORCING ARBITRATION AGREEMENTS	9
A. The FAA and Relevant Precedents from this Court Reflect a Vigorous Federal Policy of Enforcing Private Agreements To Arbitrate	9
B. The South Carolina Supreme Court Has Disregarded the Clear Command of the FAA and this Court's Precedents, Thereby Undermining the Important Federal Policy of Enforcing Agreements To Arbitrate	11
II. THE DECISIONS BELOW ARE IN CONFLICT WITH AUTHORITY FROM THE SUPREME COURT OF ALABAMA INVOLVING THE ARBITRATION OF A CONSUMER TORT DISPUTE	16

TABLE OF CONTENTS—Continued

Page

III. THE "SIGNIFICANT RELATIONSHIP" TEST, UPON WHICH THE SOUTH CAROLINA SUPREME COURT BASED ITS ANALYSIS, REPRESENTS AN IMPROPER METHOD OF DETERMINING THE QUESTION OF ARBITRABILITY 19

CONCLUSION 22

APPENDIX A

Aiken v. World Finance Corporation of South Carolina, 644 S.E.2d 705 (S.C. 2007) 1a

APPENDIX B

Simpson v. World Finance Corporation of South Carolina, 644 S.E.2d 723 (S.C. 2007) 10a

APPENDIX C

Aiken v. World Finance Corporation of South Carolina, 623 S.E.2d 873 (S.C. Ct. App. 2007) 12a

APPENDIX D

Simpson v. World Finance Corporation of South Carolina, 623 S.E.2d 877 (S.C. Ct. App. 2007) 21a

APPENDIX E

Aiken v. World Finance Corporation of South Carolina, No. 03-CP-30-783 (S.C. Ct. Com. Pl. June 6, 2004) (trial court order denying motion to compel arbitration) 29a

APPENDIX F

Simpson v. World Finance Corporation of South Carolina, No. 03-CP-30-574 (S.C. Ct. Com. Pl. June 6, 2004) (trial court order denying motion to compel arbitration) 32a

TABLE OF CONTENTS—Continued

APPENDIX G Page

Letter of Daniel E. Shearouse, Clerk of the Supreme Court of South Carolina, noting denial of Petition for Rehearing in *Aiken v. World Finance Corporation of South Carolina* 35a

APPENDIX H

Letter of Daniel E. Shearouse, Clerk of the Supreme Court of South Carolina, noting denial of Petition for Rehearing in *Simpson v. World Finance Corporation of South Carolina* 37a

APPENDIX I

Complaint of the Plaintiff in *Aiken v. World Finance Corporation of South Carolina*, No. 03-CP-30-783 (S.C. Ct. Com. Pl. Oct. 15, 2003) 39a

APPENDIX J

Third Amended Complaint of the Plaintiff in *Simpson v. World Finance Corporation of South Carolina*, No. 03-CP-30-574 (S.C. Ct. Com. Pl. August 13, 2003) 45a

APPENDIX K

Defendants' Answer & Motion To Compel Arbitration in *Aiken v. World Finance Corporation of South Carolina*, No. 03-CP-30-783 (S.C. Ct. Com. Pl. Sept. 16, 2003) 51a

APPENDIX L

Defendants' Motion To Compel Arbitration in *Simpson v. World Finance Corporation of South Carolina*, No. 03-CP-30-574 (S.C. Ct. Com. Pl. July 21, 2003) 60a

TABLE OF AUTHORITIES

CASES	Page
Allied-Bruce Terminix Companies, Inc. v. Dobson, 513 U.S. 265 (1995)	16
American Recovery Corp. v. Computerized Thermal Imaging, Inc., 96 F.3d 88 (4th Cir. 1996)	20
Chassereau v. Global –Sun Pools, Inc., 644 S.E.2d 718 (2007)	16, 17, 18
Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213 (1985)	9, 10
Gilmer v. Interstate/Johnson Lane Corp., 500 U.S. 20 (1991)	10
Green Tree Fin. Corp. v. Shoemaker, 775 So.2d 149 (Ala. 2000)	18, 19
J.J. Ryan & Sons, Inc. v. Rhone Poulenc Textile, S.A., 863 F.2d 315 (4th Cir. 1988)	19, 20
Long v. Silver, 248 F.3d 309 (4th Cir. 2001)	20
Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, 473 U.S. 614 (1985)	10, 11, 12
Moses H. Cone Memorial Hospital v. Mercury Construction Corp., 460 U.S. 1 (1983)	9, 10, 14
Pennzoil Exploration and Production Co. v. Ramco Energy Ltd., 139 F.3d 1061 (5th Cir. 1998)	21
Shearson/American Express, Inc. v. McMahon, 482 U.S. 220 (1987)	10
Simpson v. MSA of Myrtle Beach, Inc., 644 S.E.2d 663 (2007)	15
Simula, Inc. v. Autoliv, Inc., 175 F.3d 716 (9th Cir. 1999)	22
Southland Corp. v. Keating, 465 U.S. 1 (1984)	9
Steelworkers v. Warrior & Gulf Navigation Co., 475 U.S. 643 (1960)	13, 14

TABLE OF AUTHORITIES—Continued

Page

Wachovia Bank, N.A. v. Schmidt, 445 F.3d 762 (4th Cir. 2006) 21

Zabinski v. Bright Acres Assocs., 553 S.E.2d 110(2001)..... 20

STATUTES

9 U.S.C. § 2 (1999 and Supp. 2007)..... 9

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On Petition for a Writ of Certiorari to the Supreme Court of South Carolina

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PETITION FOR A WRIT OF CERTIORARI

Petitioners World Acceptance Corporation ("WAC") and World Finance Corporation of South Carolina ("WFC") respectfully petition the Court to grant a writ of certiorari to review the judgments of the South Carolina Supreme Court in these two related cases.

OPINIONS BELOW

The opinions of the South Carolina Supreme Court are reported at 644 S.E.2d 705 and at 644 S.E.2d 723. They are reprinted in the Appendix to the Petition ("Pet. App.") at 1a-9a and 10a-11a. The orders of the South Carolina Supreme Court denying rehearing are unreported. They are reprinted at Pet. App. 35a-36a and 37a-38a.

The opinions of the South Carolina Court of Appeals are reported at 623 S.E.2d 873 and at 623 S.E.2d 877. They are reprinted at Pet. App. 12a-20a and 21a-28a. The opinions of the trial court are unreported and are reprinted at Pet. App. 29a-31a and 32a-34a.

JURISDICTION

The South Carolina Supreme Court's judgments were entered on April 23, 2007. Timely petitions for rehearing were denied on May 23, 2007. The jurisdiction of this Court is invoked under 28 U.S.C. § 1257(a).

STATUTORY PROVISION INVOLVED

9 U.S.C. § 2 (1999 & Supp. 2007) provides:

> A written provision in any maritime transaction or a contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of such a contract, transaction, or refusal, shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract.

INTRODUCTION

Congress enacted the Federal Arbitration Act ("FAA") to eliminate longstanding judicial hostility toward arbitration

agreements and to further an expansive federal policy of enforcing such agreements. This Court has consistently acted to forestall any attempt by the lower federal courts and state courts to undermine that important legislative purpose. For example, the Court has held that any ambiguity in an arbitration agreement must be resolved in favor of arbitration. And it has emphasized, in a number of opinions, that particular classes of claims are not to be categorically excluded from arbitration absent clear evidence that Congress—or the parties themselves—intended such a result.

The South Carolina Supreme Court has ignored these clear mandates of Congress and this Court. In the opinions below, the court has declared that it "will refuse to interpret any arbitration agreements as applying to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings." This declaration signals a clear and determined intention to "protect" consumers from arbitration. Indeed, it represents a revival of the very judicial hostility toward arbitration that moved Congress to enact the FAA in the first place.

What is most remarkable about the supreme court's declaration—other than its bold disregard of federal law—is the breadth of its categorical sweep. Henceforth, the courts of South Carolina are to refuse to apply *any* arbitration agreement, without exception, to a dispute alleging the commission of an "unforeseeable, outrageous tort" against a consumer. In South Carolina, then, whether a consumer claim can be arbitrated under the FAA depends not the language of the parties' arbitration agreement, but on the nature of the tort alleged by the plaintiff. And what constitutes an "outrageous, unforeseeable" tort, it appears, is to be defined only by the subjective opinion of the decisionmaker.

The extent to which the Supreme Court of South Carolina is willing to use a generalized "outrageous and unforeseen consumer tort" exclusion to ignore the language of an arbi-

tration agreement is most remarkable in *Chasserau v. Global-Sun Pools, Inc.*, 373 S.C. 168, 644 S.E.2d 718 (2007)—a decision applying the test fashioned in the decisions below. In *Chasserau,* the supreme court thought so little of the language of the parties' arbitration agreement that it did not even discuss it. Instead, the court quickly concluded that the alleged harassment of a debt collector was "outrageous and unforeseen" and, therefore, not subject to arbitration. In dissent, Justice Pleicones reminded his colleagues that the court's first concern should have been the language of the parties' arbitration agreement. He went on to express his opinion that the rule followed by the court was inconsistent with the liberal federal policy favoring arbitration, the statutory command of the Federal Arbitration Act, and the rule that "all doubts regarding the question of arbitration are to be construed in favor of arbitration." Finally, he noted that the decision was in conflict with authority from the Alabama Supreme Court, which had enforced the FAA and determined a dispute arising from virtually identical facts to be arbitrable.

As Justice Pleicones' dissent in *Chassereau* indicates, the first step in determining the arbitrability of a dispute under the FAA is the language of the parties' arbitration agreement. The South Carolina Supreme Court was led astray from this proper mode of analysis by an undue reliance on the "significant relationship" test developed by the United States Court of Appeals for the Fourth Circuit. That test holds that a broad arbitration clause that applies to all claims "arising out of or relating to" a contract should be applied to any dispute having a "significant relationship" with that contract. The new rule announced by the supreme court below resulted from the court's attempt further to define a "significant relationship" in a consumer context.

As the Fourth Circuit itself recognized last year, the "significant relationship" test is in tension with the principle that a court is to interpret an arbitration clause using the

ordinary methods of contract interpretation, resolving all ambiguities in favor of arbitration. An arbitration agreement that requires arbitration of disputes that simply "relate" to a contract is disserved—and misinterpreted—by a judicial test requiring that relationship to be "significant." Indeed, both the "significant relationship" test and the "outrageous, unforeseeable tort" exclusion rely on judicially-fashioned terms of art that distract decisionmakers from the only real touchstone of arbitrability—the language of the parties' arbitration agreement itself.

Petitioners respectfully submit that this Court should grant review of the supreme court's decisions below and make it clear that neither the "outrageous and unforeseen consumer tort" exclusion nor the "significant relationship" test is consistent with this Court's several precedents governing the interpretation of an arbitration agreement under the FAA. Rather, the parties' agreements here should be interpreted with all ambiguity resolved in favor of arbitration and enforced under § 2 of the FAA.

STATEMENT

Respondents Richard Aiken and Tawanda Simpson commenced these separate but related actions by each filing a Summons and Complaint in the Court of Common Pleas of Laurens County, South Carolina. Pet. App. 39a, 45a. In their respective complaints, Respondents alleged that, for the purpose of borrowing money from Petitioners, they had supplied the Petitioners with non-public personal information. Pet. App. 39a, 45a. Respondents further alleged that certain agents and employees of Petitioners had misappropriated that information, using it to obtain loans for their own benefit. Pet. App. 40a, 46a. On the basis of that alleged misappropriation, Respondents asserted causes of action against Petitioners for "outrage and emotional distress," negligence,

negligent hiring and negligent supervision, and unfair trade practices. Pet. App. 40a-44a, 46a-50a.

WFC responded to each of Respondents' complaints with a motion to compel arbitration. Pet. App. 51a, 60a. WFC appended to each motion an arbitration agreement entered into between WFC and the respective Petitioner. Pet. App. 55a, 64a. Paragraph 2 of each such agreement provides, in pertinent part:

> []ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER [defined elsewhere in the agreement specifically to include World Acceptance Corporation] AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT[.]

Pet. App. 55a, 64a.

The Agreements further provide that they are "made in interstate commerce" and "shall be governed solely by the Federal Arbitration Act and not by any state arbitration act." Pet. App. 55a, 64a. Consistent with this Paragraph, Respondents have never denied that the subject arbitration agreements are governed by the FAA. To be sure, the opinions of the trial court, the South Carolina Court of Appeals and the South Carolina Supreme Court do not specifically mention the FAA. Yet, as the parties' undisputed agreement indicates, the FAA was the only basis on which Petitioners could have requested arbitration and, therefore, the only basis for arbitration that the courts of South Carolina possibly could have considered.

The trial court treated WFC's Motion To Compel Arbitration, in both of these cases, as a motion made by both WFC and WAC. The court heard the motions together and denied them by substantially identical orders. Pet. App. 29a, 32a. In those orders, the court noted that it was undisputed that each Respondent had signed an arbitration agreement. Pet. App. 30a, 33a. Nevertheless, the court reasoned, that arbitration agreement did not apply to Petitio .ers' claims, for two, independent reasons. First, "the effectiveness of the arbitration clause ceased when the [lender-borrower] relationship of the parties ceased." Pet. App. 31a, 34a. Second, "the tort claims arising from the acts of the Defendant's employees is [sic] completely independent of the loan agreement and, therefore, this cause of action is not arbitrable." Pet. App. 31a, 34a.

Petitioners appealed the trial court's rulings to the South Carolina Court of Appeals, which acknowledged that, "[g]iven the broadly worded terms of the arbitration agreement[s], it is plausible that one could initially conclude that [Respondent's] claims were subject to arbitration." Pet. App. 17a, 26a. Yet the court of appeals ultimately affirmed the trial court, holding that no "significant relationship" existed between Respondents' loans and the arbitration agreements and that, in any event, the agreements did not continue to apply after Respondents had paid off their loans. Pet. App. 18a, 26a-27a.

The South Carolina Supreme Court granted a writ of certiorari in each of these cases and affirmed the court of appeals, albeit on different grounds. The supreme court acknowledged the state and federal policy favoring arbitration, noting that, "unless a court can say with positive assurance that the arbitration clause is not susceptible to any interpretation that covers the dispute, arbitration should generally be ordered." Pet. App. 5a.[1] Nevertheless, the supreme court

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[1] The court issued a full opinion in *Aiken*. In *Simpson v. World Finance Corporation of South Carolina*, 644 S.E.2d 723 (2007), however (the other decision that is the subject of this Petition), the court issued a

agreed with the court of appeals that the arbitration contracts applied only to disputes with a "significant relationship" to the agreements. Pet. App. 5a. To define such a relationship in a consumer context, the supreme court declared:

> [T]his Court will refuse to interpret any arbitration agreement as applying to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings.

Pet. App. 7a. Applying that rule to the facts of these cases, the supreme court reasoned that the alleged misappropriation of personal information by Petitioners' agents was "outrageous conduct that [Respondents] could not possibly have foreseen." Pet. App. 7a. Accordingly, the court held, Respondents' claims regarding such misappropriation were not within the scope of their arbitration agreements. Pet. App. 7a.

Petitioners timely sought a rehearing of the supreme court's judgments. Those petitions were denied. Pet. App. 35a, 37a.

REASONS FOR GRANTING PETITION

At least three compelling reasons support the grant of certiorari in this action. First, the new test fashioned by the South Carolina Supreme Court, as one of the court's own justices observed in a subsequent case, disregards the FAA and the precedents of this Court and undermines the important federal policy of enforcing private agreements to arbitrate. Second, the supreme court's application of its new rule is in conflict with authority from the Supreme Court of Alabama, which, unlike South Carolina, has been faithful to the precedents of this Court in a consumer tort dispute governed by the FAA. Finally, to avoid a recurrence of the

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two-paragraph, *per curiam* opinion that affirmed the court of appeals pursuant to *Aiken*. Pet. App. 10a. Thus, all references in this Petition to the supreme court's reasoning below will be to the court's *Aiken* decision.

reasoning and result of the decisions below, this Court should expressly overrule the "significant relationship" test relied upon by the South Carolina Supreme Court and disapprove the use of "terms of art" to determine the arbitrability of disputes under the FAA.

I. THE SOUTH CAROLINA SUPREME COURT'S NEW RULE VIOLATES THE FAA, DISREGARDS THE PRECEDENTS OF THIS COURT, AND FRUSTRATES THE IMPORTANT FEDERAL POLICY OF ENFORCING ARBITRATION AGREEMENTS.

A. The FAA and Relevant Precedents from this Court Reflect a Vigorous Federal Policy of Enforcing Private Agreements To Arbitrate.

As this Court has recognized, Congress' purpose in passing the FAA was to overcome judicial resistance to private arbitration agreements. *See Dean Witter Reynolds, Inc. v. Byrd*, 470 U.S. 213, 219-20 (1985) (citing legislative history). To that end, Congress declared, in Section 2 of the FAA, that a written agreement to arbitrate shall be "valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract." 9 U.S.C. § 2 (1999 and Supp. 2007). "Section 2 [of the FAA] is a congressional declaration of a liberal federal policy favoring arbitration agreements, notwithstanding any state substantive or procedural policies to the contrary." *Moses H. Cone Memorial Hospital v. Mercury Construction Corp.*, 460 U.S. 1, 24 (1983). Indeed, in passing the FAA, Congress "withdrew the power of the states to require a judicial forum for the resolution of claims which the contracting parties agreed to resolve by arbitration." *Southland Corp. v. Keating*, 465 U.S. 1, 10 (1984).

Congress' "preeminent concern" with the enforcement of private arbitration agreements demands that the courts "rigor-

ously enforce" them. *Dean Witter, supra*, 470 U.S. at 221. The FAA establishes, "as a matter of federal law," that any doubts concerning the scope of arbitrable issues . . . be resolved in favor of arbitration, whether the problem at hand is the construction of the contract language itself or an allegation of waiver, delay, or a like defense to arbitrability." *Moses H. Cone, supra*, 460 U.S. at 24-25. The parties' intentions, too, are to be "generously construed as to issues of arbitrability." *Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth*, 473 U.S. 614, 626 (1985).

In keeping with the "liberal federal policy favoring arbitration agreements," *Moses H. Cone, supra*, 460 U.S. at 24, this Court has repeatedly rejected calls to exempt certain categories of claims from the scope of such agreements. *See Mitsubishi Motors Corp., supra*, 473 U.S. at 625-28 (applying arbitration agreement to claims under the Sherman Act); *Shearson/American Express, Inc. v. McMahon*, 482 U.S. 220, 238-42 (1987) (applying arbitration agreements to claims brought under Securities Exchange Act of 1934 and civil provisions of Racketeer Influenced and Corrupt Organizations Act); *Gilmer v. Interstate/Johnson Lane Corp.*, 500 U.S. 20, 35 (1991) (applying arbitration agreement to claim under Age Discrimination in Employment Act); and *Dean Witter, supra*, 470 U.S. 213, 223-24 (1985) (applying arbitration to pendent state law claims even though other claims were nonarbitrable). To be sure, the FAA's general directive to enforce arbitration agreements "may be overridden by a contrary congressional command." *McMahon*, 482 U.S. at 227. "The burden is on the party opposing arbitration, however, to show that Congress intended to preclude a waiver of judicial remedies for the statutory rights at issue." *Id.*

As this Court explained when refusing to recognize a categorical exemption to the arbitrability of Sherman Act claims in *Mitsubishi Motors Corp., supra*, "the first task of a court asked to compel arbitration of a dispute is to determine

whether the parties agreed to arbitrate that dispute." 473 U.S. at 626. Of course, parties are free to exclude certain types of claims from their agreement to arbitrate. *Id.*, 473 U.S. at 628. But if they have not expressly agreed to do so, any argument that an implied exclusion exists is controlled by the general rule requiring all doubts to be resolved in favor of arbitration. *See id.*, 473 U.S. at 626 ("the parties' intentions . . . are generously construed as to issues of arbitrability").

B. The South Carolina Supreme Court Has Disregarded the Clear Command of the FAA and this Court's Precedents, Thereby Undermining the Important Federal Policy of Enforcing Agreements To Arbitrate .

The Respondents in these cases filed separate complaints with substantially identical allegations: that Petitioners' agents had misappropriated non-public information that each of the Respondents had provided in the course of obtaining a loan. Pet. App. 39a, 45a. As the trial court found, it is undisputed that each of the Respondents signed an arbitration agreement in the course of receiving a loan, the pertinent parts of which are identical. Pet. App. 30a, 33a. Both agreements provide that all disputes "arising out of or in connection with the loan agreement, or arising out of any transaction or relationship between lender and borrower or arising out of any prior or future dealings between lender and borrower, shall be submitted to arbitration[.]" Pet. App. 55a, 64a.

The South Carolina Supreme Court opened its discussion of Petitioners' motions to compel the arbitration of Respondents' claims by ostensibly paying heed to the liberal federal policy favoring arbitration:

> Both state and federal policy favor arbitration of disputes and unless a court can say with positive assurance that the arbitration clause is not susceptible to any inter-

> pretation that covers the dispute, arbitration should generally be ordered.

Pet. App. 5a. Armed with this interpretive principle, the supreme court should have proceeded to examine the language of the parties' arbitration agreements to determine whether they covered the subject disputes. *See Mitsubishi Motors Corp.*, 473 U.S. 614, 626 ("[T]he first task of a court asked to compel arbitration of a dispute is to determine whether the parties agreed to arbitrate that dispute.") Remarkably, however, after quoting the language of the parties' agreement in its review of the facts of the case, the court never revisited it. Instead, it shifted from the language of the agreement to a term of art adopted from the United States Fourth Circuit Court of Appeals, noting that "broadly-worded arbitration agreements apply to disputes in which a 'significant relationship' exists between the asserted claims and the contract in which the arbitration clause is contained." Pet. App. 5a. Ultimately, the supreme court modified the Fourth Circuit's test for use in a consumer context, declaring:

> [W]e pronounce a more definitive rule for determining whether a significant relationship exists between a dispute between parties to a contract and the underlying contract, thereby implicating an arbitration agreement in the contract. Because even the most broadly-worded arbitration agreements still have limits founded in general principles of contract law, this Court will refuse to interpret any arbitration agreement as applying to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings.

Pet. App. 7a.

With this new rule in hand, the supreme court had little trouble deciding that Respondents' claims were not subject to arbitration:

> In this case, we find the theft of Aiken's personal information by World Finance employees to be outrageous conduct that Aiken could not possibly have foreseen when he agreed to do business with World Finance. Consequently, in signing the agreement to arbitrate, Aiken could not possibly have been agreeing to provide an alternative forum for settling claims arising from this wholly unexpected tortious conduct.

Pet. App. 7a.

The analytical errors committed by the supreme court are manifold. First, the court simply ignored the parties' own arbitration agreement, which covers "all disputes, controversies and claims . . . arising out of or in connection with the loan agreement, or arising out of *any* transaction or relationship between lender and borrower or arising out of *any* prior or future dealings between lender and borrower." (emphasis added). Pet. App. 55a, 64a. Without question, any one of these three independent grounds for arbitrability was satisfied by the allegations made in the Respondents' complaints. Indeed, the South Carolina Court of Appeals acknowledged as much, noting that, "[g]iven the broadly worded terms of the arbitration agreement, it is plausible that one could initially conclude that [Respondent's] claims were subject to arbitration." Pet. App. 17a, 26a. That "plausible conclusion" should have ended the analysis and resulted in the granting of Petitioners' motions to compel arbitration. *See Steelworkers v. Warrior & Gulf Navigation Co.*, 475 U.S. 643, 650 (1960) ("An order to arbitrate the particular grievance should not be denied unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute.").[2] But

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[2] *Warrior & Gulf* involved a request for arbitration pursuant to the Labor Management Relations Act, 29 U.S.C. § 185(a), not the Federal Arbitration Act. But there is no reason to believe that the standard for arbitration is any broader under the LMRA than the FAA.

instead of heeding the parties' own contract, the supreme court instead invoked a freestanding "significant relationship" test that was entirely absent from the parties' agreements.

Having developed its own, "outrageous tort" refinement to the "significant relationship" test, the supreme court erred again by concluding that Respondents "could not possibly have foreseen" the alleged misconduct of Petitioners' agents and "could not possibly have been agreeing" to arbitrate claims concerning such misconduct. Pet. App. 7a. The court failed, however, to cite any evidence in the record to support its presumptions. Controlling authority from this Court demands that, in the absence of any evidence one way or the other regarding the intention of a party to arbitrate a claim, a reviewing court adopt the conclusion that *favors* arbitration. *See Moses H. Cone, supra*, 460 U.S. at 24-25 (requiring all doubts to be resolved in favor of arbitration); *Warrior & Gulf, supra*, 475 U.S. at 650 ("In the absence of any express provision excluding a particular grievance from arbitration, we think only the most forceful evidence of a purpose to exclude the claim from arbitration can prevail.") This the supreme court did not do.

The effect of the supreme court's decision is to create a categorical arbitration exclusion for consumer tort disputes—an exclusion that applies regardless of the language of the parties' agreement to arbitrate. Given the supreme court's application of this exclusion in *Chassereau*, described *infra*, one struggles to imagine any tort against a consumer that the court would regard as "foreseeable." And "outrageous," as defined by the decision below, seems to be limited only by the subjective opinion of the decisionmaker. The real effect of the supreme court's decision, then, is to instruct the lower courts of South Carolina that they may safely refuse to compel the arbitration of any dispute involving alleged

conduct against a consumer that they find distasteful or oppressive.[3]

Admittedly, the supreme court's decisions below were not entirely unexpected. One month before it issued its opinion in *Aiken*, the court signaled its prejudice against arbitration clauses in consumer contracts in *Simpson v. MSA of Myrtle Beach, Inc.*, 644 S.E.2d 663 (2007).[4] In that case, the court found an arbitration clause in an automobile trade-in contract to be "oppressive, one-sided, and unconscionable." 644 S.E.2d at 671. Instead of invalidating the entire contract, however, the court severed the arbitration clause alone. As this Court has explained, however, such an action places arbitration clauses on an unequal footing with other contracts, in violation of the FAA:

> States may regulate contracts, including arbitration clauses, under general contract law principles and they may invalidate an arbitration clause "upon such grounds

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[3] The supreme court attempted in *Aiken* to give assurances that it "does not seek to exclude all intentional torts from the scope of arbitration." Pet. App. at 8a. For example, the court explained, "a tort claim which essentially alleges a breach of the underlying contract (e.g., breach of fiduciary duty, misappropriation of trade secrets) would be within the contemplation of the parties in agreeing to arbitrate." *Id.* at 8a. The court's attempt further to distinguish arbitrable from non-arbitrable consumer tort disputes, however, is more confusing than enlightening: "We only seek to distinguish those outrageous torts, which although factually related to the performance of the contract are legally distinct from the contractual relationship between the parties." *Id.* at 8a.

[4] The contract at issue in *MSA* involved interstate commerce, but the court concluded that South Carolina's Uniform Arbitration Act applied because of a choice of law provision in the contract designating South Carolina law as governing law. 644 S.E.2d at 667 n. 1. The court insisted that FAA preemption was not an issue because "the state laws applicable to this case do not operate to completely invalidate the parties' agreement to arbitrate." *Id.* As explained, *infra*, however, such was not the case, and the supreme court's pre-emption analysis was misplaced.

> as exist at law or in equity for the revocation of *any* contract." 9 U.S.C., § 2 (emphasis added). What States may not do is decide that a contract is fair enough to enforce all its basic terms (price, service, credit), but not fair enough to enforce its arbitration clause. The Act makes any such state policy unlawful, for that kind of policy would place arbitration clauses on an unequal "footing," directly contrary to the Act's language and Congress' intent.

Allied-Bruce Terminix Companies, Inc. v. Dobson, 513 U.S. 265, 281 (1995).

The South Carolina Supreme Court's severance of the arbitration clause in *MSA* is of a piece with the categorical arbitration exclusion established by the court in *Aiken*. Each decision reveals a fundamental skepticism of arbitration as a means of fairly resolving a consumer dispute. Each disregards the clear statutory prescription of the FAA and governing authority from this Court. And each undermines the substantial federal policy of enforcing private agreements to arbitrate.

II. THE DECISIONS BELOW ARE IN CONFLICT WITH AUTHORITY FROM THE SUPREME COURT OF ALABAMA IN A CASE INVOLVING THE ARBITRATION OF A CONSUMER TORT DISPUTE.

On the same day that the South Carolina Supreme Court issued the judgments below, it issued its opinion in *Chassereau v. Global–Sun Pools, Inc.*, 644 S.E.2d 718 (2007). *Chassereau* applied and extended the consumer tort exclusion announced by the supreme court in *Aiken*. Not only does *Chassereau*, like *Aiken*, violate the FAA and conflict with relevant authority from this Court, it also is in direct conflict with a decision issued by the Supreme Court of Alabama in a consumer tort case involving substantially identical facts.

The plaintiff in *Chassereau* alleged that one of defendant's agents had harassed her in connection with the collection of a debt. 644 S.E.2d at 719. On the basis of such alleged harassment, plaintiff filed a lawsuit in state court alleging various tort claims. *Id.* Defendant moved to compel arbitration under an arbitration clause that was part of the agreement between the parties. *Id.* The trial court and the South Carolina Court of Appeals refused to compel arbitration. *Id.*

The supreme court affirmed the court of appeals. Remarkably, the supreme court thought so little of the parties' arbitration agreement that it declined even to quote it, much less analyze its language. Instead, the court proceeded directly to invoke the new rule that it had fashioned in *Aiken, supra.* Applying that rule, the court summarily concluded:

> While actions taken in an arrangement such as the one entered into by these parties might have the potential to generate several legal claims and causes of action, we have no doubt that Chassereau did not intend to agree to arbitrate the claims she asserts in the instant case. Accordingly, we hold that these claims are not covered by the arbitration agreement at issue in the instant case.

644 S.E.2d at 720.

Chassereau represents the natural but unfortunate extension of the supreme court's decision in *Aiken.* Having decided, in *Aiken*, to eschew a careful analysis of the parties' arbitration agreement in favor of a categorical arbitration exclusion relying on a subjective term of art, the supreme court felt free, in *Chassereau,* to disregard entirely the parties' agreement to arbitrate. This extension was too much for Justice Pleicones, who had concurred with the court's opinion in *Aiken.* In dissent in *Chassereau*, he quoted the relevant portion of the parties' arbitration agreement (requiring the arbitration of all disputes "arising in any manner relating to

[the parties'] agreement") and noted, "[w]e must decide whether Mrs. Chassereau's claims arise in any manner or are related to her agreement with Global-Sun." *Id.* at 721. To be sure, Justice Pleicones later himself erred by invoking the "significant relationship" test (the failings of which are discussed *infra*), *id.*, but he nevertheless reached the right result, noting that "[u]nder any conceivable definition of the word 'significant,' actions taken in seeking to collect a debt *must* be significantly related to the debt." (emphasis in original). *Id.* at 722.

Most cogently, Justice Pleicones recognized that the extension that the supreme court had taken in *Chassereau* was "troubling in several regards":

> Primarily, the rule is inconsistent with the notion that all doubts regarding the question of arbitration are to be construed in favor of arbitration. Similarly, the rule runs afoul of the oft repeated notion that unless a court can say with positive assurance that the arbitration clause is not susceptible to any interpretation that covers the dispute, arbitration should generally be ordered.

Id.

What was particularly concerning, Justice Pleicones suggested, was that the supreme court's apparent disregard of these interpretive principles violated not just common law rules, but a "statutory proscription" rooted in the Federal Arbitration Act. *Id.*

As Justice Pleicones also observed, the supreme court's decision in *Chassereau* was not only at odds with authority from this Court and the statutory command of the Federal Arbitration Act, it was also in direct conflict with the Supreme Court of Alabama's decision in *Green Tree Fin. Corp. v. Shoemaker*, 775 So.2d 149 (Ala. 2000). *See* 644 S.E.2d at 721-22 (discussing *Shoemaker* opinion). In that case, as in *Chassereau*, the plaintiffs claimed that the defendant's agents

had harassed them in an attempt to collect a debt. 775 So.2d at 150. The defendants moved to compel arbitration pursuant to an arbitration clause in the parties' retail installment agreement—a contract governed by the Federal Arbitration Act. *Id.* The Supreme Court of Alabama reversed the lower court and ordered arbitration under the FAA, noting, like Justice Pleicones, that "[t]here can be nothing more 'relating' to a financial transaction than the efforts a party takes to collect a debt created as a part of that transaction." *Id.* at 151.

Together, *Chassereau* and *Shoemaker* illustrate the inevitable state court conflict that will result from the South Carolina Supreme Court's determination to decide questions of arbitrability under the FAA by resorting to a subjective term of art rather than the parties' agreement to arbitrate. To resolve this conflict and prevent its recurrence, this Court should grant review of the decisions below and reverse.

III. THE "SIGNIFICANT RELATIONSHIP" TEST, UPON WHICH THE SOUTH CAROLINA SUPREME COURT BASED ITS ANALYSIS, REPRESENTS AN IMPROPER METHOD OF DETERMINING THE QUESTION OF ARBITRABILITY.

As noted above, the starting point for the South Carolina Supreme Court's error in *Aiken* was its reliance on the "significant relationship" test for arbitrability—a test fashioned by the Fourth Circuit Court of Appeals in *J.J. Ryan & Sons, Inc. v. Rhone Poulenc Textile, S.A.*, 863 F.2d 315 (4th Cir. 1988). In *J.J. Ryan*, the Fourth Circuit was faced with an arbitration clause requiring arbitration of "[a]ll disputes arising in connection with the present contract." 863 F.2d at 318. In determining the scope of this clause, the court noted that it "does not limit arbitration to literal interpretation or performance of the contract." *Id.* at 321. Rather, the court concluded, "[i]t embraces every dispute between the parties

having a significant relationship to the contract regardless of the label attached to the dispute." *Id.*

Two features of the court's analysis in *J.J. Ryan* are important to note here. First, the "significant relationship" language that later assumed such prominence in South Carolina's arbitration jurisprudence[5] was offered as part of the Fourth Circuit's analysis of a particular arbitration clause—one requiring arbitration of "[a]ll disputes arising in connection with the present contract." 863 F.2d at 321. There is no evidence that the *J.J. Ryan* court intended the phrase "significant relationship" to serve as a free-standing term of art to determine the arbitrability of disputes governed by a differently worded agreement to arbitrate. Later, as explained below, the application of the "significant relationship" to other agreements to arbitrate would create tension with this Court's precedent. Second, the "significant relationship" test had its genesis in an attempt by the Fourth Circuit to *expand* the reach of an arbitration clause—an effort fully consistent with the liberal federal policy favoring arbitration described by this Court in *Moses H. Cone*, *supra*. *See* 863 F.2d at 321. In *Aiken* and *Chassereau*, however, the South Carolina Supreme Court used the "significant relationship" test to *limit* arbitration—a result that is inconsistent with the congressional mandate of § 2 of the FAA.

In *American Recovery Corp. v. Computerized Thermal Imaging, Inc.*, 96 F.3d 88 (4th Cir. 1996), the Fourth Circuit applied the "significant relationship" test from *J.J. Ryan* to an arbitration clause that required the arbitration of any dispute "arising out of or related to" the parties' contract. In *Long v. Silver*, 248 F.3d 309 (4th Cir. 2001), the court applied the test

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[5] The South Carolina Supreme Court adopted the "significant relationship" test for determining arbitrability in *Zabinski v. Bright Acres Assocs.*, 553 S.E.2d 110, 119 (2001), quoting *Long v. Silver*, 248 F.3d 309 (4th Cir. 2001).

to a clause containing similar language. Still, no tension was noted between this application and the liberal federal policy favoring arbitration, because, in both cases, the court concluded that arbitration was warranted. In *Wachovia Bank, N.A. v. Schmidt*, 445 F.3d 762 (4th Cir. 2006), however, the court used the "significant relationship" test to *reject* arbitration of a dispute. In so doing, it noted an apparent tension between the application of the test and the precedents of this Court:

> We recognize that requiring a *significant* relationship in order to compel arbitration of the Schmidt Defendants' state-court claims appears to be at odds with the language of the Note's arbitration clause, which only requires that the Schmidt Defendants' claims '*relate to*' the Loan Documents. We recognize as well that to require such a significant relationship may appear to be in tension with the Supreme Court's mandate that we apply the ordinary tools of contract interpretation in construing an arbitration agreement, and resolve any ambiguities in favor of arbitration. We, however, are constrained to adhere to our precedent in *Long* and *American Recovery*.

445 F.3d at 767 (emphasis in original and citations omitted).

As the *Schmidt* court noted, the development of a free-standing test for arbitrability divorced from the language of the parties' agreement ultimately created a conflict between the FAA and authority from this Court. The South Carolina Supreme Court's decisions below and in *Chassereau* illustrate the extent of that conflict, and the results that may be expected if the "significant relationship" test is allowed to persist. The test has been adopted by other jurisdictions,[6] and

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[6] See *Pennzoil Exploration and Production Co. v. Ramco Energy Ltd.*, 139 F.3d 1061, 1067 (5th Cir. 1998) ("Broad arbitration clauses . . . embrace all disputes between the parties having a significant relationship

its popularity could well give rise to additional conflicts like those that have arisen between South Carolina and Alabama. To prevent the development of further trends like those reflected in *Aiken*, this Court should grant review, expressly disapprove the "significant relationship" test, and remind the Bench and Bar that arbitrability depends, first and foremost, on the language the parties have chosen for themselves.

CONCLUSION

For the foregoing reasons, the Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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to the contract[.]"); *Simula, Inc. v. Autoliv, Inc.*, 175 F.3d 716, 721 (9th Cir. 1999) (concluding that "the language 'arising in connection with' reaches every dispute between the parties having a significant relationship to the contract[.]"

APPENDIX

APPENDIX A

SUPREME COURT OF SOUTH CAROLINA

No. 26313

RICHARD AIKEN,

Respondent,

v.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA & WORLD ACCEPTANCE CORPORATION,

Petitioners.

Heard Feb. 13, 2007
Decided April 23, 2007
Rehearing Denied May 23, 2007

Matthew Price Turner and Rhett D. Burney, both of Turner and Burney, P.C., of Laurens for Respondent.

Chief Justice TOAL:

Respondent Richard Aiken ("Aiken") filed a law suit against Appellants World Finance Corporation of South Carolina and World Acceptance Corporation (collectively, "World Finance") alleging various torts arising from the misuse of Aiken's personal financial information by employees of World Finance. The circuit court denied World Finance's motion to compel arbitration on the grounds that Aiken's claims were not within the scope of the arbitration clause. The court of appeals affirmed and this Court granted certiorari. We affirm as modified.

FACTUAL/PROCEDURAL BACKGROUND

World Finance is a nationwide consumer finance company with branch offices in South Carolina. Aiken obtained a series of consumer loans from World Finance beginning in 1997 and continuing through late 1999. Aiken paid off his last loan from World Finance in 2000. In order to apply for a loan, Aiken was required to supply non-public, personal information to World Finance, including his date of birth and social security number. Upon approval of each loan, Aiken entered into an arbitration agreement with World Finance. Each arbitration agreement provided, in relevant part:

> . . . ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNTIED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT.

Beginning in late 2002, several World Finance employees conspired to use the personal information provided by Aiken and other clients to obtain sham loans and embezzle the proceeds for the employees' personal benefit.[1] Upon dis-

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[1] The now-former employees pleaded guilty for these offenses and were sentenced in the United States District Court for the District of South Carolina.

covering the misuse of his personal information, Aiken filed suit against World Finance in the court of common pleas for Laurens County seeking damages for outrage and emotional distress, negligence, negligent hiring/supervision, and unfair trade practices. World Finance filed an answer, a motion to dismiss, and a motion to compel arbitration.

The trial court found that the effectiveness of the arbitration agreement ceased when the relationship of the parties ended. Because Aiken paid off his last loan with World Finance prior to the tortious acts of the employees, the court concluded that Aiken's tort claims were completely independent of the loan agreements and not subject to the arbitration agreements. Therefore, the court denied World Finance's motions to compel arbitration. The court of appeals affirmed the decision of the trial court. *See Aiken v. World Finance Corp. of South Carolina*, 367 S.C. 176, 623 S.E.2d 873 (Ct.App.2005). This Court granted certiorari and World Finance raises the following issues for review:

> I. Did the court of appeals err in deciding whether Aiken's underlying claims were subject to arbitration without first submitting the issue to an arbitrator?
>
> II. Did the court of appeals err in finding that Aiken's claims were not significantly related to the underlying loan agreement and therefore not within the scope of arbitration?

STANDARD OF REVIEW

The determination of whether a claim is subject to arbitration is subject to de novo review. *Wellman, Inc. v. Square D Co.*, 366 S.C. 61, 67, 620 S.E.2d 86, 89 (Ct.App.2005). Nevertheless, a circuit court's factual findings will not be reversed on appeal if any evidence reasonably supports the findings. *Thornton v. Trident Med. Ctr., L.L.C.*, 357 S.C. 91, 94, 592 S.E.2d 50, 51 (Ct.App.2003).

LAW/ANALYSIS

I. The appropriate forum for determining the scope of the arbitration clause.

World Finance argues that under the terms of the arbitration agreement, arbitration is the proper forum for determining the scope of the arbitration agreement. Therefore, World Finance claims that the court of appeals erred in determining whether the arbitration agreement covered Aiken's claims without first submitting the issue to an arbitrator. We find that this issue is not properly preserved for review.

In order to be preserved for appellate review, an issue must have been raised to and ruled upon by the trial court. *Pye v. Estate of Fox*, 369 S.C. 555, 564, 633 S.E.2d 505, 510 (2006). World Finance made no argument regarding the proper forum for determining the arbitrability of the underlying claims in either its motion to compel arbitration or in the hearing before the circuit court. Instead, World Finance's argument focused solely on the merits of the motion (i.e., whether Aiken's claims were within the scope of the arbitration agreement). Consequently, the trial court's order only addresses whether the scope of the arbitration agreement encompasses the underlying claims.

We agree with the court of appeals that the issue of the proper forum for determining the scope of the arbitration agreement is not properly preserved for review. Accordingly, the court of appeals did not err in deciding the question of whether Aiken's underlying claims were within the scope of the arbitration agreement.

II. Significant relationship between the underlying claims and the contract containing the arbitration agreement.

World Finance argues that the court of appeals erred in finding that Aiken's claims were not within the scope of the parties' arbitration agreement. We disagree.

Both state and federal policy favor arbitration of disputes and unless a court can say with positive assurance that the arbitration clause is not susceptible to any interpretation that covers the dispute, arbitration should generally be ordered. *Zabinski v. Bright Acres Assocs.*, 346 S.C. 580, 596-97, 553 S.E.2d 110, 118-19 (2001). However, arbitration is a matter of contract and a party cannot be required to submit to arbitration any dispute which he has not agreed to submit. *Id.* at 596, 553 S.E.2d at 118. Given these principles, courts generally hold that broadly-worded arbitration agreements[2] apply to disputes in which a "significant relationship" exists between the asserted claims and the contract in which the arbitration clause is contained. *Id.* at 598, 553 S.E.2d at 119 (quoting *Long v. Silver*, 248 F.3d 309 (4th Cir.2001)).

World Finance primarily argues that because Aiken's contracts with World Finance gave the conspirators access to Aiken's information in order to carry out their crimes, there is a significant relationship between Aiken's claims and the underlying loan agreement, thereby warranting arbitration. We find this argument unpersuasive. In our opinion, the "relationship" asserted by World Finance between Aiken's tort claims and the parties' prior dealings under the loan agreements hardly rises to the level of "significant." Applying what amounts to a "but-for" causation standard essentially includes every dispute imaginable between the parties, which greatly oversimplifies the parties' agreement to arbitrate claims between them. Such a result is illogical and unconscionable. *See Seifert v. U.S. Home Corp.*, 750 So.2d 633, 638 (Fla.1999) ("[T]he mere fact that the dispute would not have arisen but for the existence of the contract and

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[2] Courts typically characterize arbitration agreements purporting to govern disputes "arising out of or related to" the underlying contract between the parties as "broad" arbitration clauses encompassing a wide range of issues. *See J.J. Ryan & Sons, Inc. v. Rhone Poulenc Textile, S.A.*, 863 F.2d 315, 321 (4th Cir.1988).

consequent relationship between the parties is insufficient by itself to transform a dispute into one 'arising out of or relating to' the agreement."). *See also The Vestry and Church Wardens of the Church of the Holy Cross v. Orkin Exterminating Co., Inc.*, 356 S.C. 202, 209, 588 S.E.2d 136, 140 (Ct. App.2003) ("[T]he mere fact that an arbitration clause might apply to matters beyond the express scope of the underlying contract does not alone imply that the clause should apply to every dispute between the parties.").

The court of appeals also rejected this overly simplified approach. Relying heavily on the fact that Aiken had paid his loans in full when the employees' tortious acts occurred, the court of appeals found that there was no significant relationship between Aiken's tort claims and his loan agreements with World Finance. *See Aiken*, 367 S.C. at 182-83, 623 S.E.2d at 876. Therefore, the court held that Aiken's claims were not within the scope of the arbitration agreement found in the underlying contract.[3]

Although we agree with the ultimate conclusion reached by the court of appeals, we do not consider the timing of the employees' tortious conduct to be relevant to the arbitrability of Aiken's claim. Instead, we pronounce a more definitive rule for determining whether a significant relationship exists between a dispute between parties to a contract and the

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[3] While relying mainly on the "significant relationship" test to determine whether a claim is arbitrable, the court of appeals also seemed to endorse an additional test used specifically for determining whether a tort claim is arbitrable. The court cited to *Zabinski* for the proposition that tort claims were within the scope of arbitration when "the particular tort claim is so interwoven with the contract that it could not stand alone." *Aiken*, 367 S.C. at 181, 623 S.E.2d at 875 (citing 346 S.C. at 597 n. 4, 553 S.E.2d at 119 n. 4). We note that the *Zabinski* articulation of this test is found in a footnote containing references to tests used by "other jurisdictions" and therefore has not been adopted by this Court as a separate test applicable specifically to tort claims in this context.

underlying contract, thereby implicating an arbitration agreement in the contract. Because even the most broadly-worded arbitration agreements still have limits founded in general principles of contract law, this Court will refuse to interpret any arbitration agreement as applying to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings.[4]

In this case, we find the theft of Aiken's personal information by World Finance employees to be outrageous conduct that Aiken could not possibly have foreseen when he agreed to do business with World Finance. Consequently, in signing the agreement to arbitrate, Aiken could not possibly have been agreeing to provide an alternative forum for settling claims arising from this wholly unexpected tortious conduct.[5] Accordingly, we hold that Aiken's claims for unanticipated and unforeseeable tortious conduct by World Finance's employees are not within the scope of the arbitration agreement with World Finance.[6]

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[4] Because the parties do not raise the issue of whether any arbitration agreement purporting to apply to such outrageous and unforeseen tortious acts is unconscionable, we leave this determination for another day.

[5] *See also Towles v. United Healthcare Corp.*, 338 S.C. 29, 41, 524 S.E.2d 839, 846 (Ct.App.1999) ("When a party invokes an arbitration agreement after the contractual relationship between the parties has ended, the parties' intent governs whether the clause's authority extends beyond the termination of the contract." (citing *Zandford v. Prudential-Bache Sec., Inc.*, 112 F.3d 723, 727 (4th Cir.1997))).

[6] Additionally, we are somewhat puzzled by the concurring opinion's characterization of identity theft as a foreseeable tort. Although this Court indicated its concern over the "rampant growth of identity theft" in *Huggins v. Citibank, N.A.*, 355 S.C. 329, 334, 585 S.E.2d 275, 277 (2003), the rule we set forth today is based on the concept of the expectations of a "reasonable man," a standard deeply rooted in tort law. Therefore, a determination of foreseeability under the rule is to be made from the standpoint of the injured party; not this Court. We do not believe that this

In establishing the line for claims subject to arbitration, this Court does not seek to exclude all intentional torts from the scope of arbitration. For instance, the parties in the instant case stipulate that a tort claim which essentially alleges a breach of the underlying contract (e.g., breach of fiduciary duty, misappropriation of trade secrets) would be within the contemplation of the parties in agreeing to arbitrate. We only seek to distinguish those outrageous torts, which although factually related to the performance of the contract, are legally distinct from the contractual relationship between the parties. *See McMahon v. RMS Electronics, Inc.*, 618 F.Supp. 189, 191 (S.D.N.Y.1985).

Our decision today does not ignore the state and federal policies favoring arbitration as a less formal and more efficient means for resolving disputes. *See Lackey v. Green Tree Fin. Corp.*, 330 S.C. 388, 396, 498 S.E.2d 898, 902 (Ct.App.1998). This Court merely seeks, as a matter of public policy, to promote the procurement of arbitration in a commercially reasonable manner. To interpret an arbitration agreement to apply to actions completely outside the expectations of the parties would be inconsistent with this goal.

CONCLUSION

For the foregoing reasons, we affirm as modified the decision of the court of appeals denying World Finance's motion to compel arbitration.

MOORE, WALLER and BURNETT, JJ., concur. PLEICONES, J. concurring in a separate opinion.

Justice PLEICONES concurring:

I agree with the majority that the first issue is not preserved, and I concur in the decision holding that Aiken's

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Court should proclaim that fraudulent acts such as identity theft are foreseeable in the course of normal business dealings.

tort claims are without the parties' arbitration agreement. I write separately, however, as I do not agree with the majority's decision to the extent it finds that identity theft is not foreseeable. *See Huggins v. Citibank, N.A.*, 355 S.C. 329, 585 S.E.2d 275 (2003) ("[The Court] is greatly concerned with the rampant growth of identity theft and financial fraud. . . ."). I would hold that parties executing a lender-borrower contract containing an arbitration provision do not intend identity theft to be within the ambit of the contract, and further that there is no "significant relationship" between the loan agreement and the allegations of Aiken's tort claims. *Zabinski v. Bright Acres Assocs.*, 346 S.C. 580, 553 S.E.2d 110 (2001).

With this reservation, I concur.

APPENDIX B

SUPREME COURT OF SOUTH CAROLINA

No. 26314

TAWANDA SIMPSON,

Respondent,

v.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,

Petitioners.

Heard Feb. 13, 2007
Decided April 23, 2007
Rehearing Denied May 23, 2007

ON WRIT OF CERTIORARI TO THE COURT OF APPEALS

Appeal from Laurens County; James W. Johnson, Jr., Circuit Court Judge.

Judson K. Chapin, III, of Greenville, for Petitioners.

Matthew Price Turner, Rhett D. Burney, both of Turner and Burney, P.C., of Laurens, for Respondent.

PER CURIAM

We granted a writ of certiorari to review *Simpson v. World Finance Corp. of South Carolina*, 367 S.C. 184, 623 S.E.2d 877 (Ct.App.2005).

We affirm the court of appeals' decision pursuant to Rule 220(b), SCACR, and the following authority: *Aiken v. World Finance Corp. of South Carolina, Op. No. 26313*, 644 S.E.2d 705 (S.C. Sup.Ct. filed April 23, 2007) (Shearouse Adv. Sh.

No. 16 at 47) (holding that this Court will not interpret an arbitration agreement to apply to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings).

TOAL, C.J., MOORE, WALLER, and BURNETT, *JJ.*, concur. PLEICONES, *J.*, concurring in result only.

APPENDIX C

COURT OF APPEALS OF SOUTH CAROLINA

No. 4055

RICHARD AIKEN,

Respondent,

v.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,

Appellants.

Heard Nov. 9, 2005.
Decided Dec. 12, 2005.
Rehearing Denied Jan. 19, 2006.
Certiorari Granted May 4, 2006.

Judson K. Chapin, III, of Greenville, for Appellants.
Matthew Price Turner and Rhett D. Burney,
both of Laurens, for Respondent.

BEATTY, *J.*:

World Finance Corporation of South Carolina and World Acceptance Corporation ("Appellants") appeal the circuit court's order denying their motion to compel arbitration. We affirm.

FACTS

Beginning in October 1997 through late 1999, Richard Aiken entered into a series of consumer loan transactions with Appellants. In conjunction with each of these loan

agreements, Aiken signed an arbitration agreement,[1] which provided that the parties agreed to settle all disputes and claims through arbitration.

In late 2002, after Aiken had paid his loan in full, former employees of Appellants used Aiken's personal financial information to illegally procure loans and embezzle the proceeds from those loans.[2] Upon discovering the misuse of his personal information, Aiken filed suit against Appellants seeking a jury trial for damages arising out of the following causes of action: intentional infliction of emotional distress; negligence; negligent hiring/supervision; and unfair trade practices. In response, Appellants denied the allegations and filed a motion to dismiss pursuant to Rule 12(b)(6), SCRCP, and a motion to compel arbitration.

After a hearing, the circuit court denied Appellants' motions to dismiss and to compel arbitration. In reaching this decision, the court found the creditor/debtor relationship between Appellants and Aiken ended once Aiken satisfied his loan in full. As a result, the court concluded the "effectiveness of the arbitration clause ceased when the relationship of the parties ceased." The court also held the tort claims raised by Aiken were not subject to arbitration because the acts of Appellants' employees were "completely independent of the loan agreement." This appeal followed.

STANDARD OF REVIEW

"The question whether a claim is subject to arbitration is a matter of judicial determination, unless the parties have provided otherwise. Appeal from the denial of a motion to

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[1] Aiken signed several arbitration agreements. However, the only agreements pertinent to this appeal are those executed on February 3, 1999 and July 21, 1999.

[2] The former employees pleaded guilty for these offenses and were sentenced in the United States District Court for the District of South Carolina.

compel arbitration is subject to de novo review." *Chassereau v. Global-Sun Pools, Inc.*, 363 S.C. 628, 631, 611 S.E.2d 305, 307 (Ct.App.2005) (citations omitted).

DISCUSSION

Appellants argue the circuit court erred in denying their motion to compel arbitration.[3] Specifically, they contend that once the court determined that an arbitration agreement existed between the parties, the court's "decisional function" was completed and any decisions regarding the validity of the agreement and the arbitrability of Aiken's claims were to be decided by an arbitrator. Even if the circuit court was authorized to determine the effectiveness of the agreement, Appellants claim the broad terms of the arbitration agreement encompassed any disputes beyond the expiration of the underlying loan transactions between the parties.

As a threshold matter, we find Appellants' argument that the circuit court's authority was strictly limited to determining whether the parties entered into an arbitration agreement is not properly before this court. First, Appellants did not raise this precise argument in their motion to compel arbitration or during the hearing before the circuit court. Secondly, the circuit court did not address this issue in its order, but instead, only ruled on the effectiveness of the arbitration agreement. Appellants did not file a motion pursuant to Rule 59 of the South Carolina Rules of Civil Procedure to challenge this omission. *See Lucas v. Rawl Family Ltd. P'ship*, 359 S.C. 505, 511, 598 S.E.2d 712, 715 (2004) (recognizing that in order for an issue to be preserved for appellate review, with few exceptions, it must be raised to and ruled upon by the trial court); *Hawkins v. Mullins*, 359 S.C. 497, 502, 597 S.E.2d 897, 899 (Ct.App.2004) (noting an issue is not preserved where the trial court does not explicitly rule on an

[3] Although Appellants raise four issues in their brief, we have consolidated these issues in the interest of brevity and clarity.

argument and the appellant does not make a Rule 59(e) motion to alter or amend the judgment).

In terms of the merits of Appellants' motion to compel arbitration, we turn to recently established precedent. "Arbitration is a matter of contract, and the range of issues that can be arbitrated is restricted by the terms of the agreement." *Palmetto Homes, Inc. v. Bradley*, 357 S.C. 485, 492, 593 S.E.2d 480, 484 (Ct.App.2004), cert. denied (July 8, 2005). Our supreme court has outlined the analytical framework for determining whether a particular claim is subject to arbitration. *Zabinski v. Bright Acres Assocs.*, 346 S.C. 580, 597, 553 S.E.2d 110, 118-19 (2001). In *Zabinski*, the court stated:

> To decide whether an arbitration agreement encompasses a dispute, a court must determine whether the factual allegations underlying the claim are within the scope of the broad arbitration clause, regardless of the label assigned to the claim. *Hinson v. Jusco Co.*, 868 F.Supp. 145 (D.S.C.1994); *S.C. Pub. Serv. Auth. v. Great W. Coal*, 312 S.C. 559, 437 S.E.2d 22 (1993). Any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration. *Towles, supra*. Furthermore, unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered. *Great W. Coal*, 312 S.C. at 564, 437 S.E.2d at 25. A motion to compel arbitration made pursuant to an arbitration clause in a written contract should only be denied where the clause is not susceptible to any interpretation which would cover the asserted dispute. *Tritech* [*Elec, Inc. v. Frank M. Hall & Co.*, 343 S.C. 396, 540 S.E.2d 864], *supra*.

Id. at 597, 553 S.E.2d at 118-19. The court further articulated that "[a] broadly-worded arbitration clause applies to disputes that do not arise under the governing contract when a

'significant relationship' exists between the asserted claims and the contract in which the arbitration clause is contained." *Id.* at 598, 553 S.E.2d at 119.

With respect to tort claims, the supreme court noted the test from other jurisdictions stating, "the focus should be on the factual allegations contained in the petition rather than on the legal causes of actions asserted." *Zabinski*, 346 S.C. at 597 n. 4, 553 S.E.2d at 119 n. 4. The court elaborated:

> The test is based on a determination of whether the particular tort claim is so interwoven with the contract that it could not stand alone. If the tort and contract claims are so interwoven, both are arbitrable. On the other hand, if the tort claim is completely independent of the contract and could be maintained without reference to the contract, the tort claim is not arbitrable.

Id.

Shortly after the supreme court issued its decision in *Zabinski*, this court had the opportunity to apply the principles set forth and to interpret the "significant relationship" test. *Vestry & Church Wardens of the Church of the Holy Cross v. Orkin Exterminating Co.*, 356 S.C. 202, 588 S.E.2d 136 (Ct.App.2003). Although this court utilized the *Zabinski* principles to analyze the question of whether separate arbitration agreements previously executed by the parties mandated arbitration for the claims in dispute, we believe the holding is, nevertheless, instructive. In *Vestry*, we concluded, "the mere fact that an arbitration clause might apply to matters beyond the express scope of the underlying contract does not alone imply that the clause should apply to every dispute between the parties." *Id.* at 209, 588 S.E.2d at 140.

The arbitration agreement in the instant case provides in relevant part:

> ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER

> AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE " ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT.

(Emphasis added). We would also note the arbitration agreement contained a provision that stated, "This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy."

Given the broadly worded terms of the arbitration agreement, it is plausible that one could initially conclude that Aiken's claims were subject to arbitration. However, as discussed above, the terms alone are not dispositive of this determination. Instead, we are required to focus on the factual allegations of the underlying causes of action to analyze whether a "significant relationship" existed between the claims and the loan contract. Moreover, because Aiken had satisfied his loan in full at the time his claims arose, we must also look at the parties' intent to assess whether the arbitration agreement extended beyond the termination of the contract. *See Towles v. United Healthcare Corp.*, 338 S.C. 29, 41, 524 S.E.2d 839, 846 (Ct.App.1999) ("When a party invokes an arbitration clause after the contractual relationship between the parties has ended, the parties' intent governs whether the clause's authority extends beyond the termination of the contract."); *see Zabinski*, 346 S.C. at 596, 553 S.E.2d at

118 ("Arbitration is a matter of contract, and a party cannot be required to submit to arbitration any dispute which he has not agreed to submit.").

Applying the foregoing principles to the specific facts of this case, we agree with the circuit court's conclusion that Aiken's claims were not subject to arbitration. Initially, we reject Appellants' contention that the claims arose out of the loan agreement simply because Appellants' employees would not have had access to Aiken's personal financial information but for the loan agreement. Although Appellants' assertion is factually accurate, it disregards the analytical framework for determining whether claims are arbitrable. Aiken's tort claims are independent of the loan agreement and require no reference to the contract. At the time Appellants' employees misused Aiken's personal financial information, Aiken had paid off his loan in full. Thus, a "significant relationship" does not exist between Aiken's claims and the loan agreement. Moreover, it is inconceivable that Aiken intended to agree to maintain a contractual relationship with Appellants in perpetuity after he paid off his loan. Given Aiken had satisfied his contractual obligation, no further dealings with Appellants were necessary. Finally, we do not believe he could have foreseen the future tortious conduct of Appellants' employees at the time he entered into the loan agreements.

Additionally, we believe our holding is consistent with this court's recent decision in *Chassereau v. Global-Sun Pools, Inc.*, 363 S.C. 628, 611 S.E.2d 305 (Ct.App.2005). In *Chassereau*, a homeowner entered into a contract for the construction of a pool by Global-Sun Pools. The contract contained an arbitration provision that applied to "any disputes arising in any manner relating to this agreement." *Id.* at 633, 611 S.E.2d at 307. After construction was completed, the homeowner began to experience problems with the pool. Because Global-Sun Pools failed to repair the pool, the homeowner stopped making payments on the pool. *Id.* at 630,

611 S.E.2d at 306. A few months later, the homeowner filed a complaint against the pool company and one of its employees, alleging this employee and other employees made a series of harassing and intimidating telephone calls to her workplace. The homeowner claimed the pool company's employees made defamatory statements about her to her coworkers and they disclosed information regarding her personal finances. Additionally, the homeowner asserted these same employees made numerous telephone calls to her home as well as to her relatives in an effort to intimidate and harass her. *Id.*

In her complaint, the homeowner sought damages based on causes of action for defamation, violation of South Carolina Code of Laws section 16-17-430 which prohibits unlawful use of a telephone, and intentional infliction of emotional distress. *Id.* at 631, 611 S.E.2d at 306. The pool company and its employee filed a motion to compel arbitration, alleging the provisions of the construction contract mandated arbitration. The circuit court denied the motion, finding "[t]he complaint is based upon tortious conduct of the employees of [Global-Sun Pools] unrelated to the contract" and the "allegations of the complaint do not arise out of nor do they relate to the contract [.]" *Id.* at 631, 611 S.E.2d at 306-07.

On appeal, this court affirmed the circuit court's decision. In so holding, we found the homeowner's claims did not arise out of the construction contract and could be proved independently of the contract. We further concluded the causes of action alleged in the complaint "constitute[d] tortious behavior that the parties . . . could not have reasonably foreseen and for which we seriously doubt they intended to provide a limited means of redress." *Id.* at 634, 611 S.E.2d at 308.

Similar to the homeowner's tort claims in *Chassereau*, Aiken's tort claims did not arise out of the loan agreement and could be proved independently of this agreement. Although we are cognizant of the policy favoring arbitration,

we do not believe arbitration is warranted for Aiken's claims. *See Zabinski*, 346 S.C. at 596, 553 S.E.2d at 118 ("The policy of the United States and South Carolina is to favor arbitration of disputes.").

Accordingly, the decision of the circuit court is

AFFIRMED.

HEARN, C.J., and HUFF, J., concur.

APPENDIX D

COURT OF APPEALS OF SOUTH CAROLINA.

No. 4059

TAWANDA SIMPSON,
Respondent,

v.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA and World Acceptance Corporation,
Appellants.

Judson K. Chapin, III, of Greenville, for Appellants. Matthew Price Turner, of Laurens; *Rhett D. Burney,* of Laurens, for Respondent.

BEATTY, J.:
World Finance Corporation of South Carolina and World Acceptance Corporation ("Appellants") appeal the circuit court's order denying their motion to compel arbitration. We affirm.

FACTS

Beginning in March 2001 through July 2002, Tawanda Simpson entered into a series of consumer loan transactions with Appellants. In conjunction with each of these loan agreements, Simpson signed an arbitration agreement, which provided that the parties agreed to settle all disputes and claims through arbitration.

In late 2002, after Simpson had paid her loan in full, former employees of Appellants used Simpson's personal financial information to illegally procure loans and embezzle the

proceeds from those loans.[1] Upon discovering the misuse of her personal information, Simpson filed suit against Appellants seeking a jury trial for damages arising out of the following causes of action: intentional infliction of emotional distress; negligence; negligent hiring/-supervision; and unfair trade practices. In response, Appellants denied the allegations and filed a motion to dismiss pursuant to *Rule 12(b)(6), SCRCP*, and a motion to compel arbitration.

After a hearing, the circuit court denied Appellants' motions to dismiss and to compel arbitration. In reaching this decision, the court found the creditor/debtor relationship between Appellants and Simpson ended once Simpson satisfied her loan in full. As a result, the court concluded the "effectiveness of the arbitration clause ceased when the relationship of the parties ceased." The court also held the tort claims raised by Simpson were not subject to arbitration because the acts of Appellants' employees were "completely independent of the loan agreement." This appeal followed.

STANDARD OF REVIEW

"The question whether a claim is subject to arbitration is a matter of judicial determination, unless the parties have provided otherwise. Appeal from the denial of a motion to compel arbitration is subject to de novo review." *Chassereau v. Global-Sun Pools, Inc., 363 S.C. 628, 631, 611 S.E.2d 305, 307 (Ct.App.2005)* (citations omitted).

DISCUSSION

Appellants argue the circuit court erred in denying their motion to compel arbitration.[2] Specifically, they contend that

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[1] The former employees pleaded guilty for these offenses and were sentenced in the United States District Court for the District of South Carolina.

[2] Although Appellants raise four issues in their brief, we have consolidated these issues in the interest of brevity and clarity.

once the court determined that an arbitration agreement existed between the parties, the court's "decisional function" was completed and any decisions regarding the validity of the agreement and the arbitrability of Simpson's claims were to be decided by an arbitrator. Even if the circuit court was authorized to determine the effectiveness of the agreement, Appellants claim the broad terms of the arbitration agreement encompassed any disputes beyond the expiration of the underlying loan transactions between the parties.

As a threshold matter, we find Appellants' argument that the circuit court's authority was strictly limited to determining whether the parties entered into an arbitration agreement is not properly before this court. First, Appellants did not raise this precise argument in their motion to compel arbitration or during the hearing before the circuit court. Secondly, the circuit court did not address this issue in its order, but instead, only ruled on the effectiveness of the arbitration agreement. Appellants did not file a motion pursuant to *Rule 59 of the South Carolina Rules of Civil Procedure* to challenge this omission. *See Lucas v. Rawl Family Ltd. P'ship, 359 S.C. 505, 511, 598 S.E.2d 712, 715 (2004)* (recognizing that in order for an issue to be preserved for appellate review, with few exceptions, it must be raised to and ruled upon by the trial court); *Hawkins v. Mullins, 359 S.C. 497, 502, 597 S.E.2d 897, 899 (Ct.App.2004)* (noting an issue is not preserved where the trial court does not explicitly rule on an argument and the appellant does not make a *Rule 59(e)* motion to alter or amend the judgment).

In terms of the merits of Appellants' motion to compel arbitration, we turn to recently established precedent. "Arbitration is a matter of contract, and the range of issues that can be arbitrated is restricted by the terms of the agreement." *Palmetto Homes, Inc. v. Bradley, 357 S.C. 485, 492, 593 S.E.2d 480, 484 (Ct.App.2004)*, cert. denied (*July 8, 2005*). Our supreme court has outlined the analytical framework for

determining whether a particular claim is subject to arbitration. *Zabinski v. Bright Acres Assocs., 346 S.C. 580, 597, 553 S.E.2d 110, 118-19 (2001).* In *Zabinski*, the court stated:

To decide whether an arbitration agreement encompasses a dispute, a court must determine whether the factual allegations underlying the claim are within the scope of the broad arbitration clause, regardless of the label assigned to the claim. *Hinson v. Jusco Co., 868 F.Supp. 145 (D.S.C.1994)*; *S.C. Pub. Serv. Auth. v. Great W. Coal, 312 S.C. 559, 437 S.E.2d 22 (1993).* Any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration. *Towles, supra.* Furthermore, unless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered. *Great W. Coal, 312 S.C. at 564, 437 S.E.2d at 25.* A motion to compel arbitration made pursuant to an arbitration clause in a written contract should only be denied where the clause is not susceptible to any interpretation which would cover the asserted dispute. *Tritech [Elec., Inc. v. Frank M. Hall & Co., 343 S.C. 396, 540 S.E.2d 864], supra. Id. at 597, 553 S.E.2d at 118-19.* The court further articulated that "[a] broadly-worded arbitration clause applies to disputes that do not arise under the governing contract when a 'significant relationship' exists between the asserted claims and the contract in which the arbitration clause is contained." *Id. at 598, 553 S.E.2d at 119.*

With respect to tort claims, the supreme court noted the test from other jurisdictions stating, "the focus should be on the factual allegations contained in the petition rather than on the legal causes of actions asserted." *Zabinski, 346 S.C. at 597 n. 4, 553 S.E.2d at 119 n. 4.* The court elaborated:

The test is based on a determination of whether the particular tort claim is so interwoven with the contract that it could not stand alone. If the tort and contract claims are so interwoven, both are arbitrable. On the other hand, if the tort claim is

completely independent of the contract and could be maintained without reference to the contract, the tort claim is not arbitrable. *Id.*

Shortly after the supreme court issued its decision in *Zabinski*, this court had the opportunity to apply the principles set forth and to interpret the "significant relationship" test. *Vestry & Church Wardens of the Church of the Holy Cross v. Orkin Exterminating Co., 356 S.C. 202, 588 S.E.2d 136 (Ct.App.2003).* Although this court utilized the *Zabinski* principles to analyze the question of whether separate arbitration agreements previously executed by the parties mandated arbitration for the claims in dispute, we believe the holding is, nevertheless, instructive. In *Vestry*, we concluded, "the mere fact that an arbitration clause might apply to matters beyond the express scope of the underlying contract does not alone imply that the clause should apply to every dispute between the parties." *Id. at 209, 588 S.E.2d at 140.*

The arbitration agreement in the instant case provides in relevant part:

ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE " ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT.

(Emphasis added). We would also note the arbitration agreement contained a provision that stated, "This Agreement

applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy."

Given the broadly worded terms of the arbitration agreement, it is plausible that one could initially conclude that Simpson's claims were subject to arbitration. However, as discussed above, the terms alone are not dispositive of this determination. Instead, we are required to focus on the factual allegations of the underlying causes of action to analyze whether a "significant relationship" existed between the claims and the loan contract. Moreover, because Simpson had satisfied her loan in full at the time her claims arose, we must also look at the parties' intent to assess whether the arbitration agreement extended beyond the termination of the contract. See *Towles v. United Healthcare Corp., 338 S.C. 29, 41, 524 S.E.2d 839, 846 (Ct.App.1999)*("When a party invokes an arbitration clause after the contractual relationship between the parties has ended, the parties' intent governs whether the clause's authority extends beyond the termination of the contract."); see *Zabinski, 346 S.C. at 596, 553 S.E.2d at 118* ("Arbitration is a matter of contract, and a party cannot be required to submit to arbitration any dispute which he has not agreed to submit.").

Applying the foregoing principles to the specific facts of this case, we agree with the circuit court's conclusion that Simpson's claims were not subject to arbitration. Initially, we reject Appellants' contention that the claims arose out of the loan agreement simply because Appellants' employees would not have had access to Simpson's personal financial information but for the loan agreement. Although Appellants' assertion is factually accurate, it disregards the analytical framework for determining whether claims are arbitrable. Simpson's tort claims are independent of the loan agreement and require no reference to the contract. At the time Appellants' employees misused Simpson's personal financial information, Simpson had paid off her loan in full. Thus, a "significant relationship" does not exist between Simpson's claims and the loan

agreement. Moreover, it is inconceivable that Simpson intended to agree to maintain a contractual relationship with Appellants in perpetuity after she paid off her loan. Given Simpson had satisfied her contractual obligation, no further dealings with Appellants were necessary. Finally, we do not believe she could have foreseen the future tortious conduct of Appellants' employees at the time she entered into the loan agreements.

Additionally, we believe our holding is consistent with this court's recent decision in *Chassereau v. Global-Sun Pools, Inc., 363 S.C. 628, 611 S.E.2d 305 (Ct.App.2005).* In *Chassereau,* a homeowner entered into a contract for the contruction of a pool by Global-Sun Pools. The contract contained an arbitration provision that applied to "any disputes arising in any manner relating to this agreement." *Id. at 633, 611 S.E.2d at 307.* After construction was completed, the homeowner began to experience problems with the pool. Because Global-Sun Pools failed to repair the pool, the homeowner stopped making payments on the pool. *Id. at 630, 611 S.E.2d at 306.* A few months later, the homeowner filed a complaint against the pool company and one of its employees, alleging this employee and other employees made a series of harassing and intimidating telephone calls to her workplace. The homeowner claimed the pool company's employees made defamatory statements about her to her coworkers and they disclosed information regarding her personal finances. Additionally, the homeowner asserted these same employees made numerous telephone calls to her home as well as to her relatives in an effort to intimidate and harass her. *Id.*

In her complaint, the homeowner sought damages based on causes of action for defamation, violation of South Carolina Code of Laws section 16-17-430 which prohibits unlawful use of a telephone, and intentional infliction of emotional distress. *Id. at 631, 611 S.E.2d at 306.* The pool company and its employee filed a motion to compel arbitration, alleging the

provisions of the construction contract mandated arbitration. The circuit court denied the motion, finding "[t]he complaint is based upon tortious conduct of the employees of [Global-Sun Pools] unrelated to the contract" and the "allegations of the complaint do not arise out of nor do they relate to the contract [.]" *Id. at 631, 611 S.E.2d at 306-07.*

On appeal, this court affirmed the circuit court's decision. In so holding, we found the homeowner's claims did not arise out Af the construction contract and could be proved independently of the contract. We further concluded the causes of action alleged in the complaint "constitute[d] tortious behavior that the parties ... could not have reasonably foreseen and for which we seriously doubt they intended to provide a limited means of redress." *Id. at 634, 611 S.E.2d at 308.*

Similar to the homeowner's tort claims in *Chassereau*, Simpson's tort claims did not arise out of the loan agreement and could be proved independently of this agreement. Although we are cognizant of the policy favoring arbitration, we do not believe arbitration is warranted for Simpson's claims. See *Zabinski, 346 S.C. at 596, 553 S.E.2d at 118* ("The policy of the United States and South Carolina is to favor arbitration of disputes.").

Accordingly, the decision of the circuit court is
AFFIRMED.

HEARN, C.J., and *HUFF*, J., concur.

APPENDIX E

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT
COUNTY OF LAURENS

[Filed JUN. 10, 2004]

NO. 03-CP-30-783

RICHARD AIKEN,

Plaintiff,

VS.

WORLD FINANCE CORPORATION of SOUTH CAROLINA
& WORLD ACCEPTANCE CORPORATION,

Defendants.

Date of Hearing:	January 5, 2004
Honorable Judge	James W. Johnson, Jr.
Attorney for Plaintiff:	Rhett D. Burney
Attorney for Defendants:	Judson Chapin
Court Reporter:	Joy Holston

This matter comes before this Court pursuant to a Motion to Dismiss and Motion to Compel Arbitration filed by the above named Defendants. The parties were not present at the hearing; however, they were represented by their attorneys as stated above.

By stipulation of the Defendant, for purposes of these motions it is undisputed that the employees of the Defendants illegally accessed and used the Plaintiffs personal information to obtain loans in the name of the Plaintiff. The employees have been convicted in Federal Court for these actions; however, they have yet to be sentenced. It is also undisputed that

the Plaintiff had at least one account with the Defendants in the past, but at the time his information .was misused his account had been closed and paid in full and he was in good standing with the Defendant. It is also undisputed that when the Plaintiff originally- borrowed money from the Defendants he signed an arbitration agreement concerning the parties underlying contract. The contract between the parties established a creditor/debtor relationship whereby the Defendants agreed to lend money to the Plaintiff and the Plaintiff agreed to repay the money with interest. The arbitration clause in question states the following:

> "1) all disputes, controversies or claims of any kind and nature between lender and borrower arising out of or in connection with the loan agreement; or arising out of any transaction or relationship between lender and borrower or; arising out of any prior or future dealings between lender and borrower. . ."

The Defendants alleged the Plaintiffs cause of action for outrage, intentional infliction of emotional distress, negligence, negligence hiring/supervising, and unfair trade practices fail to state a cause of action and should be dismissed. The Defendants also alleged that the Plaintiffs causes of action must be arbitrated because of the parties Arbitration agreement under the above stated arbitration clause. The Plaintiff argued that the arbitration clause is not applicable because the relationship between the parties had ceased prior to the Plaintiff's information being misused. The Plaintiff also argued that there was no correlation or relationship between the Plaintiffs current allegations in his Complaint and the underlying contract between the parties.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has jurisdiction over the parties and the subject matter before it.

2. All parties were properly and competently represented by their respective attorneys.
3. That the employees of the Defendants illegally used the Plaintiffs information previously provided to the Defendant when the Plaintiff obtained a loan.
4. Plaintiff and Defendant entered into a creditor/debtor relationship; however, the creditor/debtor relationship ended once the Plaintiff paid her loan in full.
5. That the fact that employees of the Defendants used the Plaintiffs personal information on has no relationship to the subject matter of the parties creditor/debtor relationship and contract and therefore the arbitration agreement does not apply.
6. That the effectiveness of the arbitration clause ceased when the relationship of the parties ceased.
7. That the tort claims arising from the acts of the Defendant's employees is completely independent of the loan agreement and, therefore, this cause of action is not arbitrable.

WHEREFORE IT IS ORDERED that the Defendants' Motion to Dismiss and Motion to Compel Arbitration are denied.

IT IS SO ORDERED.

/s/ James W. Johnson, Jr.
THE HONORABLE JAMES W. JOHNSON, JR.
Judge of the Eighth Judicial Circuit

January 6, 2004
Laurens, South Carolina.

APPENDIX F

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT
COUNTY OF LAURENS

[Filed JUN. 10, 2004]

No. 03-CP-30-574

TAWANDA SIMPSON,

Plaintiff,

vs.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,

Defendant.

Date of Hearing:	January 5, 2004
Honorable Judge:	James W. Johnson, Jr.
Attorney for Plaintiff:	Rhett D. Burney
Attorney for Defendants:	Judson Chapin
Court Reporter:	Joy Holston

This matter comes before this Court pursuant to a Motion to Dismiss and Motion to Compel Arbitration filed by the above named Defendants. The parties were not present at the hearing; however, they were represented by their attorneys as stated above.

By stipulation of the Defendant, for purposes of these motions it is undisputed that the employees of the Defendants illegally accessed and used the Plaintiffs personal information to obtain loans in the name of the Plaintiff The employees have been convicted in Federal Court for these actions; however, they have yet to be sentenced. It is also undisputed that

the Plaintiff had at least one account with the Defendants in the past, but at the time her information was misused her account had been closed and paid in full and she was in good standing with the Defendant. It is also undisputed that when the Plaintiff originally borrowed money from the Defendants she signed an arbitration agreement concerning the parties underlying contract. The contract between the parties established a creditor/debtor relationship whereby the Defendants agreed to lend money to the Plaintiff and the Plaintiff agreed to repay the money with interest. The arbitration clause in question states the following:

> "1) all disputes, controversies or claims of any kind and nature between lender and borrower arising out of or in connection with the loan agreement; or arising out of any transaction or relationship between lender and borrower or; arising out of any prior or future dealings between lender and borrower. . ."

The Defendants alleged the Plaintiffs cause of action, for outrage, intentional infliction of emotional distress, negligence, negligence hiring/supervising, and unfair trade practices fail to state a cause of action and should be dismissed. The Defendants also alleged that the Plaintiffs causes of action must be arbitrated because of the parties Arbitration agreement under the above stated arbitration clause. The Plaintiff argued that the arbitration clause is not applicable because the relationship between the parties had ceased prior to the Plaintiffs information being misused. The Plaintiff also argued that there was no correlation or relationship between the Plaintiffs 'current allegations in her Complaint1 and the underlying contract between the parties.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has jurisdiction over the parties and the subject matter before it.

2. All parties were properly and competently represented by their respective attorneys.

3. That the employees of the Defendants illegally used the Plaintiffs information previously provided to the Defendant when the Plaintiff obtained a loan.

4. Plaintiff and Defendant entered into a creditor/debtor relationship; however, the creditor/debtor relationship ended once the Plaintiff paid her loan in full.

5. That the fact that employees of the Defendants used the Plaintiffs personal information has no relationship to the subject matter of the parties creditor/debtor relationship and contract and therefore the arbitration agreement does not apply.

6. That the effectiveness of the arbitration clause ceased when the relationship of the parties ceased.

7. That the tort claims arising from the acts of the Defendant's employees is completely independent of the loan agreement and, therefore, this cause of action is not arbitrable.

WHEREFORE IT IS ORDERED that the Defendants' Motion to Dismiss and Motion to Compel Arbitration are denied.

IT IS SO ORDERED.

/s/ James W. Johnson, Jr.
THE HONORABLE JAMES W. JOHNSON, JR.
Judge of the Eighth Judicial Circuit

January 6, 2004
Laurens, South Carolina

APPENDIX G

[Logo]

THE SUPREME COURT OF SOUTH CAROLINA

Daniel E. Shearouse
Clerk of Court

Post Office Box 11330
Columbia, South Carolina 29211

Brenda F. Shealy
Chief Deputy Clerk

(803) 734-1080
Fax (803) 734-1499

May 23, 2007

Judson K. Chapin, III, Esquire
World Acceptance Corporation
P.O. Box 6429
Greenville, SC 29606-6429

Re: Aiken, Richard v. World Finance

Dear Mr. Chapin:

The Court has issued the following Order on your Petition for Rehearing in the above matter:

"Petition for Rehearing is Denied.

/s/ Jean H. Toal, *C.J.*

/s/ James E. Moore, *J.*

/s/ E.C. Burnett, III, *J.*

/s/ Costa M. Pleicones, *J.*

Justice John H. Waller, Jr.,
not participating

May 23, 2007."

The remittitur is today being forwarded to the lower court.

Very truly yours,

/s/ [Illegible]
Clerk

DES/dmh

cc: Matthew Price Turner, Esquire
Rhett D. Burney, Esquire

APPENDIX H

[Logo]

THE SUPREME COURT OF SOUTH CAROLINA

Daniel E. Shearouse
Clerk of Court

Post Office Box 11330
Columbia, South Carolina 29211

Brenda F. Shealy
Chief Deputy Clerk

(803) 734-1080
Fax (803) 734-1499

May 23, 2007

Judson K. Chapin, III, Esquire
World Acceptance Corporation
P.O. Box 6429
Greenville, SC 29606-6429

Re: Simpson, Tawanda v. World Finance

Dear Mr. Chapin:

The Court has issued the following Order on your Petition for Rehearing in the above matter:

"Petition for Rehearing is Denied.

/s/ Jean H. Toal, *C.J.*

/s/ James E. Moore, *J.*

/s/ E.C. Burnett, III, *J.*

/s/ Costa M. Pleicones, *J.*

Justice John H. Waller, Jr.,
not participating

May 23, 2007."

The remittitur is today being forwarded to the lower court.

Very truly yours,

/s/ [Illegible]
Clerk

DES/dmh

cc: Matthew Price Turner, Esquire
Rhett D. Burney, Esquire

APPENDIX I

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
COUNTY OF LAURENS

[Filed SEP. 11, 2003]

No. 03-CP-30-783

RICHARD AIKEN,

Plaintiff,

vs.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA
& WORLD ACCEPTANCE CORPORATION,

Defendant.

TO: THE DEFENDANT ABOVE NAMED:

The Plaintiff would show unto this Court the following:

1) That the Plaintiff is a resident of Laurens County, South Carolina.

2) That the Defendants are in the business of lending money to the public in the County of Laurens, South Carolina.

3) That the Plaintiff borrowed money from the Defendants in the past.

4) That the Plaintiff supplied non-public personal information to the Defendants for the purpose of borrowing money. The information included the address, date of birth, and social security number of the Plaintiff.

5) That the Plaintiff was under the impression that the information that he provided to the Defendants would not be used for any purpose other than applying for credit to borrow money for himself.

6) That the Plaintiff was informed by the Defendants and its employee(s), agent(s), and/or servant(s) that this information would be used only to determine whether he would qualify to borrow money from the Defendant and would not be used for any other purposes or disclosed to any other individuals. The Plaintiff was also informed by the Defendant and its employee(s), agent(s), and/or servant(s) that this information was required to borrow money from the Defendants.

7) That the Defendants' agent(s), servant(s), and/or employee(s) used the information provided by the Plaintiff for the purpose of obtaining loans in the Plaintiffs name for his/her/their own benefit. The information was gathered during his/her/their course of employment and the information was then used by the Defendants' agent, servant, and/or employee for the purpose of illegally obtaining money.

8) That because of the Defendant's agent, servant, and/or employees acts the Plaintiff's credit has been damaged as he has been referred to a credit bureau for bad debt.

FOR A FIRST CAUSE OF ACTION
(Outrage & Emotional Distress)

8) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

9) That the Defendants through its agent(s), servant(s), and/or employee(s), represented to the Plaintiff that the non-public, personal information collected about him would be kept private. The Defendants failed to keep the information concerning the Plaintiff private and, in fact, allowed the information to be accessed by its employee, agent, and/or servant, which was later disseminated to others for the purpose of obtaining loans.

10) That the Defendants', through its agent(s), servant(s), and/ or employee(s), acted recklessly in the dissemination and use of the Plaintiffs personal information. The Defendant's

agent(s), servant(s) and/or employee(s) was certain, or substantially certain, that severe emotional distress would result from this conduct.

11) That the Defendants' agent(s), servant(s), and/or employee(s) conduct was so extreme and 'outrageous as to exceed all possible bounds of decency and must be regarded as atrocious and utterly intolerable in a civilized community.

12) That the Defendants' action caused the Plaintiff humiliation and embarrassment to the detriment and damage of the Plaintiff. Therefore, the Plaintiff is entitled to actual and punitive damages.

13) That the Defendants' actions caused the Plaintiff emotional distress. The Plaintiffs emotional distress was so severe that no reasonable person could be expected to endure it. Such actions were to the detriment of and damage to the Plaintiff. Therefore, the Plaintiff is entitled to actual and punitive damages.

14) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

15) That the Defendants through its agent(s), servant(s) and/or employee(s) represented to the Plaintiff that the information he provided would be kept private.

16) The Defendants were negligent in failing to safeguard that information provided to it by customers and in failing to take actions to prevent its employee(s), agent(s), and/or servant(s) or others from gaining and using this information to use for purposes for which it was not intended.

17) That the negligence of the Defendants was a proximate cause of the damage sustained by the Plaintiff, therefore the Plaintiff is entitled to actual and punitive damages.

FOR A THIRD CAUSE OF ACTION
(Negligent hiring/Negligent Supervision)

18) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

19) The injuries and damages to the. Plaintiff were a direct and proximate result of the careless, reckless, grossly negligent, willful, and unlawful acts and deeds in violation of the duties of the Defendants, hereinafter set forth and in the following particulars, to-wit:

a) In failing to properly supervise or monitor its employee(s), agent(s) and/or servant(s) while acting in the scope of employment or taking part in the acts incidental to employment;

b) In failing to properly train its employees concerning the use and safeguarding of information provided to the Defendants by customers;

c) In failing to instruct its employee(s), agent(s), and/or servant(s) to refrain from disseminating client's/customer's information;

d) In failing to use reasonable care in selecting its employee(s), agent(s), and/or servant(s);

e) In failing to properly supervise and instruct its employee(s), agent(s), and/or servant(s) so as to prevent them from using personal information of its customers;

f) In failing to supervise or monitor the conduct of its employee(s), agent(s), and/or servant(s) when it knew, or should have known, that his conduct was not in accordance with its standards and which created a climate and circumstance which was not of the status to be accorded with such an employee(s), agent(s), and/or servant(s);

g) In other ways being careless, reckless, grossly negligent and negligent under the circumstances.

20) That as a direct and proximate result of the aforesaid negligent, careless, and reckless acts or omissions of the Defendants, the Plaintiff:

a. Was injured in her character;

b. Suffered emotional distress;

c. Inquired in his credit;

d. Subjected to the use of her personal information by others

e. Suffered embarrassment.

21) The Plaintiff is informed and believes that because of the Defendants' careless, reckless, willful, and grossly negligent acts in violation of their duty to supervise, train, and select employees the Plaintiff is entitled to actual damages as a jury should award along with punitive damages for the willful and reckless misconduct of the Defendants along with attorney's fees and costs.

FOR A FOURTH CAUSE OF ACTION
(Unfair Trade Practices)

22) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

23) The representative agent(s), servant(s), and/or employee(s) of the Defendants in violation of South Carolina Code of Regulations 69-58 et al. disclosed non-public personal information about the Plaintiff for the purpose of obtaining a loan.

24) That a violation of this regulation is deemed an unfair trade practice and therefore the Defendant shall be subject to the penalties as set forth in Chapter 57 of title 38 of the South Carolina Code.

WHEREFORE, the Plaintiff demands judgment against the Defendant for actual damages, including the costs of this ac-

tion and attorney's fees, punitive damages, and other damages this honorable court or a jury deems just and appropriate

TURNER & BURNEY, P. C.

/s/: Rhett D. Burney
RHETT D. BURNEY
Attorney for the Plaintiff
105 W. Public Square
Post Office Box 668
Laurens, SC 29360
(864) 984 6565

September 16, 2003

APPENDIX J

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT
COUNTY OF LAURENS

[Filed AUG. 14, 2003]

No. 03-CP-30-574

TAWANDA SIMPSON,

Plaintiff,

vs.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA AND WORLD ACCEPTANCE CORPORATION,

Defendant.

TO: THE DEFENDANT ABOVE NAMED:

The Plaintiff would show unto this Court the following:

1) That the Plaintiff is a resident of Laurens County, South Carolina.

2) That the Defendants are in the business of lending money to the public in the County of Laurens, South Carolina.

3) That the Plaintiff borrowed money from the Defendants in the past.

4) That the Plaintiff supplied non-public personal information to the Defendants for the purpose of borrowing money. The information included the address, date of birth, and social security number of the Plaintiff.

5) That the. Plaintiff was under the impression that the information that she provided to the Defendants would not be

used for any purpose other than applying for credit to borrow money.

6) That the Plaintiff was informed by the Defendants and its employee(s), agent(s), and/or servant(s) that this information would be used only to determine whether she would qualify to borrow money from the Defendant and would not be used for any other purposes or disclosed to any other individuals. The Plaintiff was also informed by the Defendant and its employee(s), agent(s), and/or servant(s) that this information was required to borrow money from the Defendants.

7) That the Defendants' agent(s), servant(s), and/or employee(s) used the information provided by the Plaintiff for the purpose of obtaining loans in the Plaintiffs name for his/her/their own benefit. The information was gathered during his/her/their come of employment and the information was then used by the Defendants' agent, servant, and/or employee for the purpose of illegally obtaining money.

FOR A FIRST -CAUSE OF ACTION
(Outrage & Emotional Distress)

8) All other previous paragraphs, are reasserted and alleged as if stated herewith verbatim.

9) That the Defendants through its agent(s), servant(s), and/or employee(s), represented to the Plaintiff that the non-public, personal information collected about her would be kept private. The Defendants failed to keep the information concerning the Plaintiff private and, in fact, allowed the information, to be accessed by its employee, agent, "and/or servant, which was later disseminated to others for the purpose, of obtaining loans.

10) That the Defendants', through its agent(s), servant(s), and/or employee(s), acted recklessly in the dissemination and use of the Plaintiffs personal information. The Defendant's agent(s), servant(s) and/or employee(s) was certain, or

substantially certain, that severe emotional distress would result from this conduct.

11). That the Defendants' agent(s), servant(s), and/or employee(s) conduct was so extreme and outrageous as to exceed all possible bounds of decency and must be regarded as atrocious and utterly intolerable in a civilized community.

12) That the Defendants' action caused the Plaintiff humiliation, and embarrassment to the detriment and damage of the Plaintiff. Therefore, The Plaintiff is entitled to actual and punitive damages.

13) That the Defendants' actions caused the Plaintiff emotional distress. The Plaintiffs emotional distress was so severe that no reasonable person could be expected to 'endure it. Such actions were to the detriment of and damage, to the Plaintiff. Therefore, the Plaintiff is entitled to actual and punitive damages.

FOR A SECOND CAUSE OF ACTION
(Negligence)

14) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

15) That the Defendants through its agent(s), servant(s) and/or employee(s) represented to the Plaintiff that the information she provided would be kept private.

16) The Defendants were negligent in failing, to safeguard that information provided to it by customers and in failing to take actions to prevent its employee(s), agent(s), and/or servant(s) or others from gaining and using this information to use for purposes for which it was not intended.

17) That the negligence of the Defendants was a proximate cause of the damage sustained by the Plaintiff, therefore the Plaintiff is entitled to actual and punitive damages.

FOR A THIRD CAUSE OF ACTION
(Negligent hiring/Negligent Supervision)

18) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

19) The injuries and damages to the Plaintiff were a direct and proximate result of the careless, reckless, grossly negligent, willful, and unlawful acts and deeds in violation of the duties of the Defendants, hereinafter set forth and in the following particulars, to-wit:

a) In failing to properly supervise or monitor its employee(s), agent(s) and/or servant(s): while acting in the scope of employment or taking part in the acts incidental to employment;

b) In failing to properly train its employees concerning the use and safeguarding of information provided to the Defendants by customers;.

c) In failing to instruct, its employee(s), agent(s) and/or servant(s) to refrain from disseminating client's/customer's information;

d) In failing to use reasonable care in selecting its employee(s), agent(s), and/or servant(s);

e) in failing to properly supervise and instruct its employee(s), agent(s), and/or servant(s) so as to prevent them from using personal information of its customers;

f) in failing to supervise or monitor the conduct of its employee(s), agent(s), and/or servant(s) when it knew, or should have known, that his conduct was not in accordance with its standards and which created a climate and circumstance which was not of the status to be accorded with such an employee(s), agent(s)., and/or servant(s);

g) In other ways being careless, reckless, grossly negligent and negligent under the circumstances.

20) That as a direct and, proximate result of the aforesaid negligent, careless, and reckless acts or omissions of the Defendants, the Plaintiff:

a. Was injured in hr character;

b. Suffered emotional distress;

c. Inquired in her credit;

d. Subjected to the use of her personal information by others

e. Suffered embarrassment.

21). The Plaintiff is informed and believes that because of the Defendants' careless, reckless, willful, and grossly negligent acts in violation of their duty to supervise, train, and select employees the, Plaintiff is entitled to actual damages as a jury should award along with punitive damages for the willful and reckless misconduct of the Defendants along, with attorney's fees and costs:

FOR A FOURTH CAUSE OF ACTION
(Unfair Trade Practices)

22) All other previous paragraphs are reasserted and alleged as if stated herewith verbatim.

23) The representative agent(s), servant(s), and/or employee(s) of the Defendants in violation of South Carolina Code of Regulations 69-58 et al. disclosed non-public personal information about the Plaintiff for the purpose of obtaining a loan.

24) That a violation of this regulation is deemed an unfair trade practice and therefore the Defendant shall be subject to the penalties as set forth in Chapter 57 of title 38 of the South Carolina Code.

WHEREFORE, the Plaintiff demands judgment against the Defendant for actual damages, including the costs of this action and attorney's fees, punitive damages, and other damages this honorable court or a jury deems, just and appropriate.

TURNER & BURNEY, P.C.

/s/ Rhett D. Burney
RHETT D. BURNEY
Attorney for the Plaintiff
105 W. Public Square
Post Office Box 668
Laurens, SC 29360
(864) 984-6565

August 13, 2003

APPENDIX K

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
COUNTY OF LAURENS

[Filed OCT. 22, 2203]

No. 03-CP-30-783

RICHARD AIKEN,

Plaintiff,

VS.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA
& WORLD ACCEPTANCE CORPORATION,

Defendant.

World Finance Corporation of South Carolina, referred to hereinafter as "WFC," answers the plaintiffs September 16, 2003, complaint as follows;

FIRST DEFENSE

1. Each and every allegation in the complaint not hereinafter expressly admitted is denied in this Defense and in each Defense hereinafter contained.

SECOND DEFENSE

2. The Plaintiff's "First Cause of Action" fails to state fact sufficient to state a cause of action.

3. The Plaintiff's "Second Cause of Action" fails to state fact sufficient to state a cause of action.

4. The Plaintiff's "Third Cause of Action" fails to state fact sufficient to state a cause of action.

5. The Plaintiff's "Fourth Cause of Action" fails to state fact sufficient to state a cause of action.

6. WFC hereby moves, pursuant to SCRCP Rule 12(b)(6) that each of the Plaintiff's "Cause[s] of Action" be dismissed.

THIRD DEFENSE

7. Under dates of July 21, 1999, February 3, 1999, September 15, 1998, May 22, 1998, and October 1, 1997, the plaintiff entered into consumer installment loan transactions with WFC.

8. In connection with each of the foregoing consumer installment loan transactions the plaintiff executed and delivered to WFC his Agreement to Settle Disputes by Arbitration. A copy of each Agreement is attached[1] hereto.

9. The Agreements dated February 3, 1999, and July 21, 1999, each provide that the plaintiff agrees to submit to binding arbitration "All disputes, controversies or claims of any kind or nature between lender [WFC] and borrower [plaintiff] arising out of or in connections with the loan agreement, or arising out of any transaction or relationship between lender [WFC] and borrower [plaintiff] or arising out of any prior or future dealings between lender [WFC] and borrower [plaintiff]."

10. The plaintiff's complaint in this action asserts that he has suffered injuries resulting from WFC's disclosure of his personal financial information obtained in connection with the above mentioned loans and that WFC is liable in damages for those injuries.[2]

11. The plaintiff's assertions are covered by his arbitration agreements and his exclusive remedy is to submit those

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[1] Because the reverse side of each Agreement is identical, only one copy of the reverse side is attached.

[2] All assertions by the plaintiff that he has suffered any injuries or that WFC is liable for any such injuries are denied by WFC.

assertions to binding arbitration in accordance with his Agreements to Settle Disputes by Arbitration.

12. On July 21, 2003, and August 6, 2003, WFC, through its undersigned attorney, demanded in writing that the another plaintiff, represented by the same attorney as the plaintiff in this action and suing on a complaint virtually identical to the complaint in this action submit her claims to binding arbitration in accordance with her Agreements to Settle Disputes by Arbitration.

13. The plaintiff's attorney unreasonably and unjustifiably refused to submit the other plaintiff's claims to binding arbitration and there is no reason to suspect that he will not likewise unreasonably and unjustifiably refuse to submit the this plaintiff's claims to binding arbitration.

WHEREFORE, WFC prays for the following relief:

1. That the plaintiffs complaint be dismissed with prejudice; or, in the alternative,

2. That the plaintiff be compelled to submit his claims to binding arbitration; and

3. For such other and further relief as the court deems just and proper.

Greenville, South Carolina
October 15, 2003

WORLD FINANCE CORPORATION
OF SOUTH CAROLINA

By: /s/ Judson K. Chapin, III,
Judson K. Chapin, III, S. C. Bar No. 001193
General Counsel for Defendant
P. 0. Box 6429, Greenville, SC 29606
(864) 298-9800

GENERAL INFORMATION ABOUT ARBITRTION

ARBITRATION: Arbitration is a method of resolving disputes between parties without filling a lawsuit in court. The Arbitrator's decision under this Agreement is final and binding on Borrower and Lender. The Arbitrator does not have to give any written reasons for the decision. Borrower is limiting its right to bring a lawsuit in court, including the right to a jury trial.

ARBITRATION RULES: The arbitration will be conducted under the "Commercial Arbitration Rules" of the America Arbitration Association that are in effect at the time arbitration is started and under the rules set forth in this Agreement. If there is any conflict between what the Commercial Arbitration Rules say and what this Agreement says, what this Agreement says it will govern.

ENFORCEMENT OF ARBITRATION DECISION: After the Arbitration has made a decision, either Borrower or Lender may take any legal action, including filing a lawsuit, to enforce the Arbitrator's decision in any federal or state court that has jurisdiction.

BEST AVAILABLE COPY

55a

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between _____ ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement:

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous loan from Lender and any previous retail installment sales contract made/or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.
4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.
5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.
6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration exceeding these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.
7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.
8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.
9. This Agreement does not affect the applicability of any statute of limitation.
10. This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy.
11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement affects their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE 2-3-99

LENDER: Vickie Brown

BORROWER: [signature]

witness

NOTICE
(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between World Finance Corp. ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement:

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous loan from Lender and any previous retail installment sales contract made/or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.
4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.
5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.
6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration including these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.
7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.
8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.
9. This Agreement does not affect the applicability of any statute of limitation.
10. This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy.
11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement affects their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: 7/21/99

LENDER: Michael Bowers

BORROWER: Richard C. Alen

Witness

NOTICE

(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

57a

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION
NOTE: THIS WAIVES THE RIGHT TO COURT TRIALS

This Agreement to Settle Disputes by Arbitration ("Agreement") is between World Acceptance Corporation and Affiliates, its agents and employees ("Lender"), and

AIKEN, RICHARD 39610

(called "Borrower," even if there is more than one), as of the date shown below. In consideration of the loan to be entered into between Borrower and Lender ("Loan"), and with their mutual promises and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower agree as follows:

1. (A) EXCEPT AS PROVIDED IN (B), ANY CLAIM OR DISPUTE BETWEEN THE PARTIES OR ANY CLAIM BY ONE PARTY AGAINST THE OTHER, WHETHER PAST, PRESENT, OR FUTURE, RELATED IN ANY WAY TO THE LOAN TO BE ENTERED INTO BETWEEN THE PARTIES: (i) SHALL BE RESOLVED BY BINDING ARBITRATION, AS STATED BELOW; AND (ii) ANY ARBITRATION AWARD MAY BE ENTERED IN, AND ENFORCED BY, ANY COURT HAVING JURISDICTION OVER SUCH AWARD.

(B) Notwithstanding this Agreement, instead of pursuing arbitration, suit may be brought in a small claims (or similar) court for an amount not exceeding the maximum amount in controversy that is allowed for such court. Such a small claims court suit may be brought either by Borrower for any claim related to this Loan or by Lender to enforce its rights under the Loan. Any claims, counterclaims or other disputes which are subject to this Agreement and are in excess of the small claims court jurisdictional dollar limit must be arbitrated.

2. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Financial Disputes Arbitration Rules of the American Arbitration Association. Both the terms of this Agreement and the arbitration under it shall be governed by the laws of the Borrower's state of residence. Unless otherwise required by law, arbitration shall be conducted by a single arbitrator. The award of the arbitrator shall be final and binding.

3. (a) Any award to Borrower(s) shall include their reasonable attorney fees, and (b) Any award to Lender shall be in accordance with the terms of the Loan.

4. This Agreement and the Loan are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.

5. This Agreement limits rights Borrower and Lender would otherwise have, including: (a) the right to trial by a judge or jury, (b) the right to conduct discovery, and (c) the right to appeal and seek modifications of an award.

Borrower and Lender agree that they have read the Agreement, understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

World Acceptance Corporation and Affiliates Borrower: Date: 9-15-98

by Jackie Brown (L) Richard Aiken

X H. Hill

Witness

491 ORIGINAL

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION
NOTE: THIS WAIVES THE RIGHT TO COURT TRIALS

This Agreement to Settle Disputes by Arbitration ("Agreement") is between World Acceptance Corporation and Affiliates, its agents and employees ("Lender"), and
AIKEN, RICHARD 38750

(called "Borrower," even if there is more than one), as of the date shown below. In consideration of the loan to be entered into between Borrower and Lender ("Loan"), and with their mutual promises and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower agree as follows:

1. (A) EXCEPT AS PROVIDED IN (B), ANY CLAIM OR DISPUTE BETWEEN THE PARTIES OR ANY CLAIM BY ONE PARTY AGAINST THE OTHER, WHETHER PAST, PRESENT, OR FUTURE, RELATED IN ANY WAY TO THE LOAN TO BE ENTERED INTO BETWEEN THE PARTIES: (i) SHALL BE RESOLVED BY BINDING ARBITRATION, AS STATED BELOW; AND (ii) ANY ARBITRATION AWARD MAY BE ENTERED IN, AND ENFORCED BY, ANY COURT HAVING JURISDICTION OVER SUCH AWARD.

(B) Notwithstanding this Agreement, instead of pursuing arbitration, suit may be brought in a small claims (or similar) court for an amount not exceeding the maximum amount in controversy that is allowed for such court. Such a small claims court suit may be brought either by Borrower for any claim related to this Loan or by Lender to enforce its rights under the Loan. Any claims, counterclaims or other disputes which are subject to this Agreement and are in excess of the small claims court jurisdictional dollar limit must be arbitrated.

2. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Financial Disputes Arbitration Rules of the American Arbitration Association. Both the terms of this Agreement and the arbitration under it shall be governed by the laws of the Borrower's state of residence. Unless otherwise required by law, arbitration shall be conducted by a single arbitrator. The award of the arbitrator shall be final and binding.

3. (a) Any award to Borrower(s) shall include their reasonable attorney fees; and (b) Any award to Lender shall be in accordance with the terms of the Loan.

4. This Agreement and the Loan are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.

5. **This Agreement limits rights Borrower and Lender would otherwise have, including: (a) the right to trial by a judge or jury, (b) the right to conduct discovery, and (c) the right to appeal and seek modifications of an award.**

Borrower and Lender agree that they have read the Agreement, understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

World Acceptance Corporation and Affiliates

by Vickie Braun

Witness

Borrower: Richard C. Aiken

Date: 5/28/98

4-97

ORIGINAL

59a

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION
NOTE: THIS WAIVES THE RIGHT TO COURT TRIALS

This Agreement to Settle Disputes by Arbitration ("Agreement") is between World Acceptance Corporation and Affiliates, its agents and employees ("Lender"), and Richard Aikon

(called "Borrower," even if there is more than one), as of the date shown below. In consideration of the loan to be entered into between Borrower and Lender ("Loan"), and with their mutual promises and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower agree as follows:

1. (A) EXCEPT AS PROVIDED IN (B), ANY CLAIM OR DISPUTE BETWEEN THE PARTIES OR ANY CLAIM BY ONE PARTY AGAINST THE OTHER, WHETHER PAST, PRESENT, OR FUTURE, RELATED IN ANY WAY TO THE LOAN TO BE ENTERED INTO BETWEEN THE PARTIES: (i) SHALL BE RESOLVED BY BINDING ARBITRATION, AS STATED BELOW; AND (ii) ANY ARBITRATION AWARD MAY BE ENTERED IN, AND ENFORCED BY, ANY COURT HAVING JURISDICTION OVER SUCH AWARD.

(B) Notwithstanding this Agreement, instead of pursuing arbitration, suit may be brought in a small claims (or similar) court for an amount not exceeding the maximum amount in controversy that is allowed for such court. Such a small claims court suit may be brought either by Borrower for any claim related to this Loan or by Lender to enforce its rights under the Loan. Any claims, counterclaims or other disputes which are subject to this Agreement and are in excess of the small claims court jurisdictional dollar limit must be arbitrated.

2. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Financial Disputes Arbitration Rules of the American Arbitration Association. Both the terms of this Agreement and the arbitration under it shall be governed by the laws of the Borrower's state of residence. Unless otherwise required by law, arbitration shall be conducted by a single arbitrator. The award of the arbitrator shall be final and binding.

3. (a) Any award to Borrower(s) shall include their reasonable attorney fees; and (b) Any award to Lender shall be in accordance with the terms of the Loan.

4. This Agreement and the Loan are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.

5. This Agreement limits rights Borrower and Lender would otherwise have, including: (a) the right to trial by a judge or jury, (b) the right to conduct discovery, and (c) the right to appeal and seek modifications of an award.

Borrower and Lender agree that they have read the Agreement, understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

World Acceptance Corporation and Affiliates Borrower: Date: 10-1-97

by Todd Carter X Richard Aikon

Witness

4-97 ORIGINAL

APPENDIX L

STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
COUNTY OF LAURENS

[Filed SEP. 5, 2003]

No. 03-CP-30-574

TAWANDA SIMPSON,

Plaintiff.

vs.

WORLD FINANCE CORPORATION OF SOUTH CAROLINA

Defendant.

PLEASE TAKE NOTICE that World Finance Corporation of South Carolina, referred to hereinafter as "WFC," will move on the tenth day after the service of this motion or as soon thereafter as this motion can be heard for an. order compelling the Plaintiff to dismiss this action and to submit her complaint to binding arbitration. The motion will be made on the following grounds:

1. Under dates of July 11, 2002, April 9, 2002, November 16, 2001, August 17, 2001, April 19, 2001, and March 16, 2001, the plaintiff entered into consumer installment loan transactions with WFC.

2. In connection with each of the foregoing consumer installment loan transactions the plaintiff executed and delivered to WFC her Agreement to Settle Disputes by Arbitration. A copy of each Agreement is attached[1] hereto.

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[1] Because the reverse side of each Agreement is identical, only one copy of the reverse side is attached.

3. Each Agreement provides that the plaintiff agrees to submit to binding arbitration "All disputes, controversies or claims of any kind or nature between lender [WFC] and borrower [plaintiff] arising out of or in connections with the loan agreement, or arising out of any transaction or relationship between lender [WC] and borrower [plaintiff] or arising out of any prior or future dealings between lender [WFC] and borrower [plaintiff]."

4. The plaintiff's complaint in this action asserts that she has suffered injuries resulting from WFC's disclosure of her personal financial information obtained in connection with the above mentioned loans and that WFC is liable in damages for those injuries.[2]

5. The plaintiff's assertions are covered by her arbitration agreements and her exclusive remedy is to submit those assertions to binding arbitration in accordance with her Agreements to Settle Disputes by Arbitration.

6. On July 21, 2003, and August 6, 2003, WFC, through its undersigned attorney, demanded in writing that the plaintiff submit her claims to binding arbitration in accordance with her Agreements to Settle Disputes, by Arbitration. Copies of those demands are attached hereto.

7. The plaintiff has unreasonably and unjustifiably refused to submit her claims to binding arbitration.

WHEREFORE, WFC moves the Court to compel the plaintiff to submit her claims to binding arbitration and to allow WFC to recover from the plaintiff or her attorney WFC's costs and attorneys fees incurred in connection with this motion.

I certify that prior to filing this motion I communicated in writing with opposing counsel have attempted in good faith to resolve the matter contained in this motion.

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[2] All assertions by the plaintiff that she has suffered any injuries or that WFC is liable for any such injuries are denied by WFC.

Greenville, South Carolina
September 3, 2003

WORLD FINANCE CORPORATION
OF SOUTH CAROLINA

By: /s/ Judson K. Chapin, III,
JUDSON K. CHAPIN, III, S. C. Bar No. 001193
General Counsel for Defendant
P.O. Box 6429, Greenville, SC 29606
(864) 298-9800

GENERAL INFORMATION ABOUT ARBITRTION

ARBITRATION: Arbitration is a method of resolving disputes between parties without filling a lawsuit in court. The Arbitrator's decision under this Agreement is final and binding on Borrower and Lender. The Arbitrator does not have to give any written reasons for the decision. Borrower is limiting its right to bring a lawsuit in court, including the right to a jury trial.

ARBITRATION RULES: The arbitration will be conducted under the "Commercial Arbitration Rules" of the America Arbitration Association that are in effect at the time arbitration is started and under the rules set forth in this Agreement. If there is any conflict between what the Commercial Arbitration Rules say and what this Agreement says, what this Agreement says it will govern.

ENFORCEMENT OF ARBITRATION DECISION: After the Arbitration has made a decision, either Borrower or Lender may take any legal action, including filing a lawsuit, to enforce the Arbitrator's decision in any federal or state court that has jurisdiction.

64a

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between Loma Linda ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement.

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous or subsequent loan from Lender and any previous or subsequent retail installment sales contract made with or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.
4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.
5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.
6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration including these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.
7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.
8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.
9. This Agreement does not affect the applicability of any statute of limitation.
10. This Agreement applies even if the Loan Agreement is paid in full, charged off by Lender, or discharged in Bankruptcy.
11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE 7-11-11

LENDER: Wanda Brown

BORROWER: X Tamara Stephens

NOTICE
(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

ORIGINAL

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between UNCW Edwards ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement.

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous or subsequent loan from Lender and any previous or subsequent retail installment sales contract made with/or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.
4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.
5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.
6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration including these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.
7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.
8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.
9. This Agreement does not affect the applicability of any statute of limitation.
10. This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy.
11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: 4-9-02

LENDER:

BORROWER:

NOTICE
(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

ORIGINAL

66a

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between World Finance Corp. ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement.

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous or subsequent loan from Lender and any previous or subsequent retail installment sales contract made with or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.

2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights hereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.

3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.

4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.

5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.

6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration including these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.

7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.

8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.

9. This Agreement does not affect the applicability of any statute of limitation.

10. This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy.

11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: 11-16-01

LENDER:
BY:
ITS:

BORROWER: Fernando Lopez

NOTICE
(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

ORIGINAL

AGREEMENT TO SETTLE DISPUTES BY ARBITRATION

READ THIS ARBITRATION AGREEMENT CAREFULLY. IT LIMITS CERTAIN OF YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING A COURT ACTION.

This Agreement to Settle Disputes by Arbitration ("Agreement") is entered into by and between Corona Finance Corp. ("Lender"), and the undersigned Borrower ("Borrower") on the date written above the Borrower's signature. This Agreement is entered into in connection with that certain loan agreement by and between the parties to this Agreement on the same date ("Loan Agreement"). For purposes of this Agreement, Lender means, without limitation, Lender's agents, employees, officers, directors, shareholders, direct or indirect parent, including World Acceptance Corporation, subsidiaries, affiliates, predecessors, and successors. Borrower shall include Borrower and his, her or their heirs, executors, successors and assigns.

In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement.

1. EXCEPT AS PROVIDED IN PARAGRAPH NUMBER 2, ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY KIND AND NATURE BETWEEN LENDER AND BORROWER ARISING OUT OF OR IN CONNECTION WITH THE LOAN AGREEMENT, OR ARISING OUT OF ANY TRANSACTION OR RELATIONSHIP BETWEEN LENDER AND BORROWER OR ARISING OUT OF ANY PRIOR OR FUTURE DEALINGS BETWEEN LENDER AND BORROWER, SHALL BE SUBMITTED TO ARBITRATION AND SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNITED STATES ARBITRATION ACT, THE EXPEDITED PROCEDURES OF THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (THE "ARBITRATION RULES OF THE AAA"), AND THIS AGREEMENT. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SUCH ARBITRATION SHALL BE CONDUCTED BY A PANEL OF ONE (1) ARBITRATOR SELECTED IN ACCORDANCE WITH THE ARBITRATION RULES OF THE AAA.

   Disputes covered under the above include but are not limited to:
   - the Loan Agreement and any previous or subsequent loan from Lender and any previous or subsequent retail installment sales contract made with/or assigned to Lender including all documents relating to same and insurance purchased in connection with the transaction;
   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
3. Arbitration shall be conducted in the state of Borrower's residence in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the Arbitrator shall be final and binding.
4. This Agreement and the Loan Agreement are made in interstate commerce. This Agreement shall be governed solely by the Federal Arbitration Act and not by any state arbitration act.
5. Notwithstanding the discovery limitations of the Arbitration Rules of the AAA, following a demand for Arbitration, Borrower and Lender shall be entitled to conduct a limited number of depositions, such number to be decided at such time by mutual agreement of the parties. If the parties fail to reach such a mutual agreement, the number of depositions shall be determined by the Arbitrator.
6. Borrower and Lender agree that at the time a demand for arbitration is made, the party requesting the arbitration proceeding shall pay to the Arbitrator the amount of $125.00. Lender agrees to pay the Arbitrator all other costs of the arbitration proceeding up to a maximum of those costs necessarily incurred for one day (eight hours) of proceedings. All costs of arbitration including these amounts shall be paid in accordance with the decision of the Arbitrator. Unless otherwise required by applicable law, each party shall be responsible for his or her own attorney, expert and witness fees and expenses.
7. If the Arbitrator or any court determines that any one or more of the provisions of this Agreement, or the Arbitration Rules of the AAA are unlawful, invalid, or unenforceable for any reason, the remaining provisions of this Agreement or the Arbitration Rules of the AAA shall be valid and enforceable and have full force and effect as if the invalid or unenforceable provision(s) had not been included.
8. EXCEPT AS LIMITED HEREINABOVE, LENDER AND BORROWER UNDERSTAND AND AGREE (I) THAT EACH OF THEM IS WAIVING RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; (II) THAT PRE-ARBITRATION DISCOVERY IN ARBITRATION PROCEEDINGS IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS; (III) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING; AND (IV) EITHER PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATOR IS STRICTLY LIMITED.
9. This Agreement does not affect the applicability of any statute of limitation.
10. This Agreement applies even if the Loan Agreement is paid in full, charged-off by Lender, or discharged in Bankruptcy.
11. THIS AGREEMENT SUPERSEDES ANY PRIOR ARBITRATION AGREEMENT BETWEEN LENDER AND BORROWER.

Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: Aug 1 2007

LENDER: Shana Ryan

BORROWER:

NOTICE
(SEE REVERSE SIDE FOR OTHER TERMS OF THIS AGREEMENT)

ORIGINAL

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In consideration of the Loan Agreement to be entered into between the parties and as an inducement to Lender, and with their mutual promise and agreement that arbitration under this Agreement would be more convenient and less expensive to both, Lender and Borrower, the parties agree to arbitrate under the following terms all claims and disputes between Borrower and Lender, except as provided otherwise in this Agreement.

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   - whether the claim or dispute must be arbitrated and the validity of this Agreement;
   - any claim based upon fraud or misrepresentation;
   - any claim based upon a federal or state statute including, but not limited to, the Truth-in-Lending Act and Regulation Z; the Equal Credit Opportunity Act and Regulation B, state insurance laws, state usury and lending laws including state consumer protection statutes and regulations;
   - any dispute about closing, servicing, collecting or enforcing the Loan Agreement or other loan or retail installment sales agreements between Lender and Borrower.
2. Notwithstanding this Agreement, in the event of a Default under the Loan Agreement, Lender may seek its remedies in an action at law or in equity, including but not limited to, judicial foreclosure or repossession. Lender may also exercise its other remedies provided by law (such as, but not limited to, the right of self-help repossession under Article 9 of the Uniform Commercial Code or other applicable law and/or the foreclosure power of sale). This section shall not constitute a waiver of Lender's rights thereafter to seek specific enforcement of its rights under this Agreement in the event Borrower shall assert a counterclaim or right of setoff in such judicial or non-judicial action.
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Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: 4-19-01

LENDER: Debra Campbell

BORROWER: Tawanda A Simpson

NOTICE
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Borrower and Lender agree that they have read the Agreement (Front and Back), understand that the Agreement limits their rights, and agree to be bound by this Agreement. Borrowers have received a copy of this Agreement.

DATE: 3/16/01

LENDER: Lynda Duvall

BORROWER: Yolanda Lujan

NOTICE
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ORIGINAL